

1 research study. They write a report, and
2 that report may or may not be seen by the
3 people who are actually making decisions.

4 And so this program was really
5 designed to ensure that those issues were
6 getting more visibility and could be acted
7 on.

8 Q. Is the Shopper Frustration
9 Program another reflection of Amazon's
10 customer obsession principle?

11 MR. NARDINI: Objection. Vague
12 as to time period.

13 THE WITNESS: I definitely see
14 it as a reflection of Amazon's
15 customer obsession.

16 It's not uncommon for companies
17 to have research repositories. But
18 the difference is that in a lot of
19 companies, the research repository,
20 their end user that they're targeting
21 is other researchers.

22 It's really a tool for
23 researchers to keep track of the
24 things that they've identified, so
25 that they can go back and -- on it

1 document titled Shopper Frustrations Research
2 Program Update.

3 Do you see that?

4 A. I do.

5 Q. Looking at the second sentence
6 of your email you wrote:

7 "Good feedback and enthusiastic
8 discussion. These are programs our
9 leaders hear a lot about."

10 Do you see that?

11 A. I do.

12 Q. And what did you mean when you
13 wrote, "these are programs our leaders hear a
14 lot about"?

15 A. I think that, you know, this
16 meeting was with Llew Mason's leadership
17 team, which is very -- it is the senior
18 leaders, who are responsible for the core
19 result shopping experience.

20 And, you know, both the fact
21 that they spent dedicated time focused on
22 shopper frustrations, understanding what some
23 of the themes were, and really rigorously
24 discussing how to improve the customer
25 experience was, you know, worth sharing with

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
25

1 the team as something, I think, is really
2 inspiring, and not always the case at
3 companies that leaders at this level would
4 always be engaged with this kind of data.

5 Q. So in your experience, was
6 Amazon's leadership supportive of the Shopper
7 Frustration Program?

8 A. They were.

9 MR. NARDINI: Objection. Form
10 and foundation. You can answer.

11 THE WITNESS: They were.

12 BY MR. REITER:

13 Q. Okay. Let's go to the
14 attachment to your email.

15 Do you see there's a background
16 section in the second paragraph?

17 A. I'm still seeing the same page.
18 Okay. What page?

19 Q. It's page 3. It's the first
20 page of the attachment.

21 MR. NARDINI: And, Mr. Reiter,
22 I think if you hit direct to page, it
23 will also take us where you are.

24 THE WITNESS: Yes.

25 BY MR. REITER:

1 Q. Okay. So looking at the
2 background section, it states:

3 "The Shopper Frustration
4 Program started in 2014, has been a
5 consumer-wide initiative to drive
6 continual customer experience
7 improvements owned by the shopping
8 design team within consumer
9 engagement.

10 Through its insights
11 repository, researchers log customer
12 insights observed firsthand through
13 user experience research.

14 The program partners with
15 design products and engineering
16 stakeholders and shopping teams across
17 the company to work backwards from the
18 insights and address customer needs
19 and pain points."

20 Is that an accurate description
21 of the Shopper Frustration Program
22 we've been discussing.

23 A. It is.

24 MR. NARDINI: Objection.

25 Compound.

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
27

1 THE WITNESS: It is.

2 BY MR. REITER:

3 Q. Looking at the last sentence in
4 that background section. It says:

5 "To date, shopping teams across
6 the company have leveraged the team's
7 research insights to partially and/or
8 fully resolve 694 customer-facing
9 production-level issues. We have also
10 prevented 413 prototype issues from
11 reaching production."

12 Do you see that?

13 A. I do.

14 Q. In your experience, Ms.
15 Blackburn, was the Shopping Frustration
16 program successful at driving customer
17 experience improvements at Amazon?

18 MR. NARDINI: Objection.

19 Vague.

20 THE WITNESS: I think it was
21 very successful, yeah. I think that,
22 you know, this data base started
23 because there were, you know, what
24 seemed like a large number of
25 insights, you know, 400.

JENNY BLACKBURN
FTC vs AMAZONDecember 10, 2024
28

1 And then, you know, after a
2 few nears, 694 issues had been
3 corrected. You know, that's -- that's
4 outstanding impact for user research.

5 BY MR. REITER:

6 Q. So just to break that down a
7 bit.

8 The middle of the paragraph
9 that we're looking at says that quote, "The
10 original intent of the program was to close
11 the loop on the 400-plus usability issues
12 stored in the database at that time."

13 Do you see that?

14 A. I do.

15 Q. And did the Shopper Frustration
16 Program meet its goal of closing the loop on
17 400-plus usability issues?

18 A. Well, what I've seen is the
19 goal is aspirational. So the goal was to
20 make as much progress as possible in the
21 customer experience.

22 I think, you know, in the
23 beginning when we launched this program, if
24 you had said we could resolve 694 issues and
25 we had identified 400, we would have said

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
29

1 that was just, you know, probably
2 unrealistic.

3 So looking backwards at it,
4 it's very successful and I would say we
5 exceeded our goals.

6 Q. Let's go to the next page. And
7 there is subheading there titled,
8 "Subscription Clarity."

9 Do you see that?

10 A. I do.

11 Q. And it says:

12 "We will invent new design
13 patterns that improve the clarity for
14 member acquisition and retention CX
15 for paid subscription programs, such
16 as Prime, Music Unlimited, Kindle
17 Unlimited, Audible."

18 Do you see that?

19 A. I do.

20 Q. At this time, were you aware of
21 shopper frustrations related to subscription
22 clarity?

23 A. I was.

24 Q. And how were those shopper
25 frustrations observed?

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

30

1 A. So my user experience team was
2 focused on the core shopping experience. And
3 the core shopping experience starts from
4 Amazon home page and goes through detail page
5 cart and checkout.

6 So when we were evaluating the
7 shopping experience, we would ask customers
8 to do things that spanned across these pages.

9 And as a byproduct of that, the
10 user researchers would sometimes identify
11 confusion that the customer, in that study,
12 had with aspects of those pages that related
13 to Prime signup.

14 My team did not specifically
15 focus on Prime signup. And so these issues
16 were coming up in that broader context and
17 being added to the Shopper Frustration
18 database when they were observed.

19 Q. So were these shopper
20 frustrations relating to subscription clarity
21 observed during the kind of usability studies
22 that you mentioned earlier?

23 MR. NARDINI: Objection to
24 form. Vague.

25 THE WITNESS: I believe, yes.

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

31

1 Because the majority of the issues in
2 this database were coming from those
3 types of usability studies.

4 BY MR. REITER:

5 Q. So let me just ask you about
6 those usability studies for a moment.

7 How large were those usability
8 studies?

9 A. Usability studies are
10 qualitative. So by nature they're a small
11 sample. They range from, on the small side,
12 like, four to six people. And then on the
13 large side, maybe 30-ish people.

14 Q. Okay. So between four to six,
15 and a max of 30 people might participate in
16 these usability studies?

17 A. That would be typical, yeah.

18 Q. All right. And by contrast,
19 how many customers does Amazon have?

20 A. I don't know the precise number
21 of customers that Amazon has. I think it's
22 in the hundreds of millions. It's hard to
23 find someone who isn't an Amazon customer.

24 Q. You've mentioned several times
25 that these studies are qualitative. What do

1 you mean by that?

2 A. There's two types of research:
3 Qualitative and quantitative. Qualitative
4 research really relates to the how and why.
5 So how people perceive things, how they feel
6 about things, why they think something -- why
7 they prefer something, why they don't prefer
8 something.

9 Quantitative research relates
10 to numbers. So how big something is, how
11 many people something impacts, et cetera.

12 Generally, qualitative studies
13 are small sample because they're not relating
14 to numbers and they're not being
15 extrapolated.

16 Quantitative research is large
17 numbers because it uses statistics to
18 generalize to the larger population.

19 Q. Okay. So is it fair to say
20 that the shopper frustrations observed during
21 these usability studies were qualitative,
22 anecdotal reports from a relatively small
23 number of shoppers?

24 A. Yes.

25 MR. NARDINI: Objection to

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

33

1 form. Vague. You can answer.

2 THE WITNESS: Yes.

3 BY MR. REITER:

4 Q. And do those anecdotal reports
5 from a small number of shoppers provides any
6 reliable data about Amazon's customers as a
7 whole?

8 MR. NARDINI: Objection to
9 form. Vague. And foundation.

10 THE WITNESS: No. The -- what
11 you can say from a small sample
12 qualitative study is what those
13 specific customers in that study
14 experienced. It's explicitly not to
15 be extrapolated to a larger
16 population. Um, yeah.

17 BY MR. REITER:

18 Q. So do those usability studies
19 that we've been discussing, do they provide
20 any information that can be extrapolated
21 beyond the smaller number of shoppers who
22 participated in the study?

23 MR. NARDINI: Objection to
24 form. Vague.

25 THE WITNESS: They provide

1 information that you can use to create
2 hypotheses. And then you can use
3 quantitative measures to validate or
4 invalidate or size.

5 So they're a useful input, but
6 on their own, they don't tell you
7 anything about the large population.

8 BY MR. REITER:

9 Q. Okay. You would have to do
10 further studies and gather quantitative data
11 in order to make a finding that applied to a
12 larger population; is that right?

13 MR. NARDINI: Objection to
14 form.

15 THE WITNESS: That's right. In
16 fact, a lot of what the team was doing
17 with the Shopper Frustration Program
18 is working with partner teams to
19 create hypotheses, and then go test
20 those, using multivariant testing,
21 which by its nature is quantitative
22 and has statistical significance, in
23 order to bear out whether that
24 hypothesis was true and what
25 improvement would actually move the

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

35

1 needle on it.

2 BY MR. REITER:

3 Q. Okay. You testified that these
4 shopper frustrations were observed in a lab
5 setting; is that right?

6 A. That was typically the case.
7 There were some usability studies that were
8 done like this session; remotely, where the
9 participant might be in their home.

10 Q. Can being in a lab setting
11 affect the results of user research?

12 MR. NARDINI: Objection.

13 Vague.

14 THE WITNESS: Yes. In fact, I
15 would say being in a study, full stop,
16 can impact how people behave.

17 Simply because when you know
18 you're being watched by multiple
19 people, and when you're in an
20 artificial setting, you know, it
21 changes your motivations, what you pay
22 attention to, what you don't pay
23 attention to.

24 And so again, you had to take
25 with a grain of salt what would come

1 should be either, or ideally both,
2 validated with quantitative data. And
3 there should be experiments run, in
4 order to identify the best -- best
5 path forward.

6 BY MR. REITER:

7 Q. In your experience, is it
8 common to develop a hypothesis, based on
9 qualitative insights, like shopper
10 frustrations better than proven wrong when
11 you've done the work to look at the
12 quantitative data or run experiments?

13 MR. NARDINI: Objection. Form
14 vague.

15 THE WITNESS: Yes. It's
16 definitely the case that you can start
17 with a qualitative insight, develop a
18 hypothesis, and then do an experiment
19 and have that experiment not bear out
20 what you hoped would happen.

21 And it can be for a variety of
22 reasons. It can be because your
23 hypothesis was wrong to begin with.
24 It can also be because the things that
25 you thought would solve the issue

1 doesn't solve the issue, sometimes
2 creates different issues.

3 So user experience design is
4 very complex. And there's multiple
5 the factors. And so, you know, it's
6 rarely the case that exactly what we
7 think is going to make it better is
8 exactly the thing that makes it
9 better. It's an irritative process.

10 BY MR. REITER:

11 Q. So given the problems we've
12 discussed with the shopper frustrations how
13 they're anecdotal, qualitative insights, how
14 they're limited to a small number of
15 customers that cannot be extrapolated, given
16 all that, why would Amazon try to resolve
17 those customer frustrations?

18 MR. NARDINI: Objection.

19 Vague. Compound.

20 THE WITNESS: Amazon, in my
21 experience, is really customer
22 obsessed.

23 And part of that customer
24 obsession is treating anecdotes
25 seriously, and looking for every

1 possible opportunity to improve the
2 customer experience.

3 You know, I think you could
4 have leaders spending time arguing
5 that things aren't important, but
6 instead at Amazon, they would
7 typically focus on: How do we make it
8 better?

9 And so I -- I think the fact
10 that Amazon invested in user research
11 and this program are -- at the end of
12 the day, really ladder up to that
13 customer obsession leadership
14 principle, and the belief that
15 investing in high trust, simple, clear
16 user experiences will pay off for
17 Amazon.

18 BY MR. REITER:

19 Q. If you look at the next tenet
20 that's listed in this document, it says:

21 "We close the loop. We
22 relentlessly follow up on customer issues
23 we've identified until they're fixed."

24 Could you please explain what
25 that means?

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
49

1 MR. NARDINI: Objection.

2 Vague. Foundation.

3 THE WITNESS: Yeah. This tenet
4 was really intended to drive ownership
5 and follow-up mindset amongst the user
6 researchers.

7 You know, my belief is that at
8 the end of the day, the value of a
9 user research organization is actually
10 improving the user experience, not
11 just, you know, reporting things.

12 But it's commonly the case that
13 user researchers will spend all of
14 their time doing research, and they
15 aren't spending the time to make sure
16 that the things that they've
17 identified are getting to the right
18 people.

19 So I really wanted the research
20 team to feel ownership and be really
21 relentless about making sure that the
22 things that they observed, and, you
23 know, these moments with customers
24 were getting in front of the people
25 who actually could do something about

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
54

1 generate a considerable amount of emails and
2 other documents?

3 MR. NARDINI: Objection.

4 THE WITNESS: It did. Yeah.

5 And Amazon is a very much document
6 culture as well. So we -- and
7 researchers are very prolific
8 documenters. So there was definitely
9 lots of emails, lots of documents,
10 lots of meetings talking about shopper
11 frustrations.

12 BY MR. REITER:

13 Q. And based on your experience,
14 is that large body of documents talking about
15 shopper frustrations, is that evidence that
16 Amazon had a serious problem with
17 subscription clarity?

18 MR. NARDINI: Objection.

19 Foundation. Vague as to "serious
20 problem."

21 THE WITNESS: In my experience,
22 the fact that there was so much
23 discussion, you know, and
24 consideration of the shopper
25 frustrations at many levels in the

1 company is a statement of how much
2 Amazon employees cared about the
3 customer experience.

4 And it also is a direct output
5 of how much the user research team was
6 passionate about getting these issues
7 in front of people.

8 It was never designed, nor
9 should it be used to paint a picture
10 of anything other than that.

11 Q. Anything other than trying to
12 fix --

13 A. Yeah. This was Amazon
14 employees, leaders paying attention to
15 customer anecdotes, in order to figure out
16 how they can make the experience better for
17 customers.

18 Q. In your experience, Ms.
19 Blackburn, were the user experience
20 researchers and designers that you worked
21 with, were they always able to put these
22 shopper frustrations that they witnessed in
23 context and treat them as the type of
24 anecdotal reports of their work?

25 MR. NARDINI: Objection.

JENNY BLACKBURN
FTC vs AMAZONDecember 10, 2024
56

1 Vague. Compound.

2 THE WITNESS: No. I mean, that
3 wasn't their job. So the user
4 researchers -- I mean, I think the
5 context is important.

6 You know, they would spend a
7 significant part of their work week
8 sitting one-on-one with customers and
9 listening to customers share, you
10 know, their hopes and aspirations and
11 thoughts.

12 And so because of that, that's
13 very emotionally resonant when you
14 have that one-on-one interaction with
15 a person. And so that made these
16 researchers very, very attuned to the
17 things that they had heard from these
18 people.

19 And, you know, I think that --
20 they weren't even aware, in many
21 cases, of the broader business
22 considerations, of the broader road
23 maps that teams had of sort of like
24 how prioritization happens.

25 They really just were very

JENNY BLACKBURN
FTC vs AMAZONDecember 10, 2024
58

1 or hyperbole when talking about that,
2 in their desire and attempt to get --
3 to close the loop to get teams to take
4 action.

5 BY MR. REITER:

6 Q. So I want to ask you about one
7 of the user experience researchers we've
8 heard about in this case. His name is Reid
9 Nelson.

10 Do you know Mr. Nelson?

11 A. I do know Mr. Nelson. I hired
12 him at Amazon and he worked on my team, a
13 couple different teams when I was there.

14 Q. How would you describe your
15 experience working with Mr. Nelson?

16 A. He -- so I would say, you know,
17 we talked about that close-the-loop tenet.
18 He sort of like took that and 10xed it.

19 He really, really passionately
20 felt like it was his mission to make sure
21 that the issues that he'd identified got
22 fixed. And so I appreciated that.

23 Like, he would never let
24 something go, which I appreciated. He also,
25 you know, didn't have a -- he had a very

1 narrow perspective and was not super adept at
2 how to influence at Amazon. And so sometimes
3 his tactics would -- were pretty brute force.
4 And that was something that we would coach
5 him on.

6 Q. You said Mr. Nelson was
7 passionate about fixing the shopper
8 frustration issues he observed.

9 Did you see him use passionate
10 language in his emails and other
11 communications?

12 MR. NARDINI: Objection.

13 Vague.

14 THE WITNESS: He used very
15 strong language. And it was both
16 issues from the Shopper Frustration
17 database and also personal anecdotes
18 of things that he had found confusing.

19 He didn't really differentiate.
20 Any issue that he observed, whether it
21 was one person or five, he would
22 really, really try to drive action on
23 by using sort of, like, increasingly
24 strong and sometimes hyperbolic
25 language when talking about it.

1 BY MR. REITER:

2 Q. So we talked about how the
3 shopper frustrations were anecdotal reports.

4 Did Mr. Nelson, in your
5 experience, treat them as anecdotal reports?

6 MR. NARDINI: Objection.

7 Vague. Foundation.

8 THE WITNESS: You know, he
9 would talk about them as shopper
10 frustrations and he was clear on,
11 like, the number of people that
12 experienced the issue. So in that
13 regard, yes.

14 But I think that where he
15 sometimes crossed the sort of line of
16 accuracy in his attempts to close the
17 loop is by sort of overstating what
18 that means for Amazon.

19 So, you know, it's accurate
20 that, like, these three people or
21 these ten people had this issue and
22 it's in the database. But then he
23 would want to sort of extrapolate
24 that, in order to drive action on it.
25 And that was not really appropriate

1 And at that time, there was a
2 decision that Amazon got to make about
3 whether to show the negative customer
4 reviews in the same prominence and in
5 the same light as positive customer
6 reviews.

7 Obviously, negative customer
8 reviews are going to be bad for sales.
9 And the decision was although in the
10 short-term you may have a customer
11 come to buy something and leave
12 because they see a negative customer
13 review, the loyalty that you gain from
14 that customer from helping them to
15 make a better buying decision is worth
16 that negative impact.

17 I always loved that example
18 because it then set the precedent.
19 And now, you know, everywhere you see
20 customer reviews, you see that
21 balanced view.

22 BY MR. REITER:

23 Q. So you testified earlier today
24 about Amazon's customer obsession principle.

25 In your interactions with Mr.

1 Ghani, did you see him adhere to Amazon's
2 customer obsession principle?

3 MR. NARDINI: Objection. Form
4 and foundation.

5 THE WITNESS: I did. I did. I
6 found him to be very thoughtful,
7 empathetic and wanting to do the right
8 thing for customers.

9 BY MR. REITER:

10 Q. How about Neil Lindsay? Do you
11 know Mr. Lindsay?

12 A. I do know Mr. Lindsay. I was
13 in meetings with him.

14 Q. In those meetings and other
15 interactions with Mr. Lindsay, did you
16 observe him adhering to Amazon's customer
17 obsession principle?

18 MR. NARDINI: Objection to
19 form. Vague.

20 THE WITNESS: I did I found
21 that Neil was always very rigorous in
22 encouraging teams to make their
23 experiences more clear, more simple
24 and do the right thing for customers.

25 BY MR. REITER:

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

97

1 Q. And how did about Russ
2 Granzinetti? Do you know Mr. Granzinetti?

3 A. I do know Mr. Granzinetti.

4 Q. In your interactions with Mr.
5 Granzinetti, did you observe him adhere to
6 Amazon's customer obsession principle?

7 MR. NARDINI: Objection to
8 form. Foundation.

9 You can answer.

10 THE WITNESS: I did. He could
11 be kind of brutal in his approach and
12 teams didn't always appreciate it.

13 But he was always, you know,
14 pushing for more clarity, better
15 customer experience and, you know,
16 wanting teams to be sharper in how
17 they were driving good experiences for
18 their customers.

19 BY MR. REITER:

20 Q. Ms. Blackburn, are you aware
21 that the first FTC sued Mr. Ghani, Mr. Lindsay
22 and Mr. Granzinetti personally?

23 A. I am.

24 MR. NARDINI: Objection.

25 Compound.

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
98

1 BY MR. REITER:

2 Q. What was your reaction when you
3 learned that?

4 A. I was horrified by that. I
5 think that these are three leaders who
6 repeatedly gave air time and took seriously
7 shopper frustrations, customer anecdotes and
8 challenged their teams to do better for
9 customers.

10 And I think the fact that
11 they're being negatively personally impacted
12 for those activities and that the things that
13 they were doing to try to improve the
14 customer experience being used against them
15 is un -- I don't know how to say that word,
16 but it's very poor.

17 Q. Unconscionable?

18 A. Unconscionable.

19 Q. Ms. Blackburn, based on your
20 decade of working at Amazon, do you have any
21 reason to believe that Amazon or the three
22 individual defendants we discussed did
23 anything to harm consumers?

24 MR. NARDINI: Objection. Form.
25 Foundation. Compound. And vague.

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
107

1 wanted to enroll in Prime?

2 A. To enroll in Prime --

3 MR. NARDINI: Objection to
4 form. Foundation.

5 THE WITNESS: -- the yellow
6 button that says, "free same-day
7 delivery."

8 BY MR. REITER:

9 Q. And does the page disclose the
10 terms of a Prime membership if a consumer
11 chose to click on that orange button?

12 MR. NARDINI: Objection.
13 Foundation. Calls for a legal
14 conclusion.

15 THE WITNESS: Below --
16 immediately below the button, it lists
17 the terms and conditions, including
18 the fact that the membership will
19 renew and the monthly price of the
20 membership, the fact that the customer
21 can cancel at any time.

22 So it seems pretty
23 straightforward to me.

24 BY MR. REITER:

25 Q. And where does the customer

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
108

1 click if they do not want to enroll in Prime?

2 MR. NARDINI: Objection. Form.
3 Foundation.

4 THE WITNESS: The they would
5 click on "no thanks."

6 BY MR. REITER:

7 Q. The FTC has alleged in this
8 case that the "no thanks" link is not as
9 conspicuous as the enrollment button.

10 From -- based on your
11 experience as a user experience designer,
12 what's your reaction to that?

13 MR. NARDINI: Objection to
14 form. Foundation.

15 THE WITNESS: With respect to
16 the FTC, you know, I think based on my
17 experience as a user experience
18 designer, what's really important here
19 is a couple of things.

20 One, that the signup and the
21 decline to sign up option are right
22 next to each other, so that it's easy
23 for the user to pick the one they
24 want.

25 Second, the fact that it uses

1 plain language. In particular, I
2 would call out the fact that the link
3 starts with "no thanks," which is a
4 really common pattern across upsells.

5 And then it is not uncommon
6 that the button that is associated
7 with the upsell has more prominence.
8 That actually is helpful to a user, as
9 they scan the page.

10 And it's often the case that
11 the "no thanks" link is treated with
12 the blue hyperlink treatment.

13 Again, like, if you were to
14 squint and look at this page, a lot of
15 consumers would say that the blue link
16 is the "no thanks," because that's a
17 common best practice across these
18 types of interstitials.

19 BY MR. REITER:

20 Q. So I want to break that down a
21 little bit.

22 Based on your experience, it's
23 common for companies to have a decline option
24 that is a "no thanks" link?

25 MR. NARDINI: Objection.

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024
110

Foundation.

THE WITNESS: In the time I was working in shopping, so in the last four years I haven't been working in shopping. And user experience design is continually evolving.

But at that time, this was certainly common.

BY MR. REITER:

Q. And you testified that it's actually helpful for consumers to have an enrollment button that is more prominent than the decline option.

Did I hear you correctly?

A. That's correct. When everything looks the same, it requires more cognitive attention and very close attention to detail for the user to figure out which is the one they want, versus when there is a hierarchy applied it's easier to scan and find what they really want.

That's why we typically have different UX patterns for, you know, primary, secondary, tertiary treatments.

Q. Ms. Blackburn, are you familiar

JENNY BLACKBURN
FTC vs AMAZON

December 10, 2024

111

1 with the phrase "dark patterns"?

2 A. I am.

3 Q. Do you see any dark patterns in
4 this Prime enrollment flow we're looking at?

5 MR. NARDINI: Objection.

6 Foundation.

7 THE WITNESS: I do not.

8 BY MR. REITER:

9 Q. The FTC -- I'll give you one
10 example.

11 The FTC has alleged that the
12 language in the decline option that says
13 quote, "No thanks, I do not want free
14 delivery," is a dark pattern.

15 What's your reaction to that?

16 MR. NARDINI: Objection.

17 Foundation.

18 THE WITNESS: I would say that
19 a dark pattern would be using language
20 that obscured what the link would do.

21 This link, I really like
22 because it's very specific. It leads
23 with a "no thanks," which the user can
24 scan for and find. And then it
25 declines the value proposition for the

JENNY BLACKBURN
FTC vs AMAZONDecember 10, 2024
152

1 CERTIFICATE

2
3 I, Mary C. Soldati, Registered Professional
4 reporter, Oregon and Washington Certified Shorthand
5 Reporter, hereby certify that at said time and place, I
6 reported in stenotype all testimony adduced and other
7 oral proceedings had in the foregoing matter; that
8 thereafter my notes were transcribed through
9 computer-aided transcription by me to the best of my
10 ability; and that the foregoing pages constitute a full,
11 true and accurate record of all such testimony adduced
12 and oral proceedings had, and of the whole thereof.

13 In witness whereof, I have hereunto set my hand
14 this 20th day of December, 2024.

15 
16

17 Mary C. Soldati, RPR

18 CSR-WA No. 3406

19 Expires April 20, 2025

20 CSR-OR No. 19-0457

21 Expires September 30, 2025
22
23
24
25

EXHIBIT 97

LISA LEUNG Confidential
FTC vs AMAZON.COM, INC., et al.

July 24, 2024

1

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

Civil Action No. 2:23-cv-00932-JHC

AMAZON.COM, INC.,
et al.,

Defendants.

CONFIDENTIAL PORTIONS - 23:17-246:24

DEPOSITION UPON ORAL EXAMINATION

OF

LISA LEUNG

DATE: July 24, 2024

REPORTED BY: Holly J. Buckmaster, CSR

CSR No. 2859

SEATTLE, WASHINGTON; WEDNESDAY, JULY 24, 2024

8:30 A.M.

--oOo--

LISA LEUNG, being first duly sworn by a certified shorthand reporter testified as follows:

E X A M I N A T I O N

BY MS. JERJIAN:

Q. (BY MS. JERJIAN) Good morning, Ms. Leung. My name is Olivia Jerjian, I'm an attorney with the Federal Trade Commission, and I'm joined here today by my colleagues Evan Mendelson, Elena Hubble, Ronald Miyoge, and on the phone Anthony Saunders and Johanna Mejia-Portello. I would now invite -- your counsel to introduce themselves.

MR. HUESTON: John Hueston and Melanie Hess on -- from Hueston Hennigan here on behalf of Amazon.

MS. CRAIG: Laura Craig from Amazon legal.

MS. JERJIAN: Could everyone introduce themselves, I just want to make sure we have all the names.

MR. HUESTON: No, I introduced Melanie.

MS. JERJIAN: Oh, you did, okay. And is

1 Q. Yes.

2 A. The buttons here that are presented in the
3 cancellation flow are presented clearly to the
4 customer.

5 Q. And they're all equally accessible to the customer?

6 A. It's hard for me to state weight of accessibility of
7 the buttons.

8 Q. Why is it hard?

9 A. Because you're asking me to make an inference on
10 every customer. We want to make sure that the options
11 presented in the cancellation flow are clear for
12 customers and we believe that it is.

13 Q. Right. I'm trying to ask you if it -- to compare the
14 placement of the remind me later button with the end
15 membership button. Do you think it's -- they are both
16 equally accessible or one is more accessible than the
17 other?

18 A. It's really hard to say because it depends on how
19 customers process the page. Some customers skip
20 all -- skip everything and go straight to the bottom
21 of the page, some customers read top all the way down.
22 It's really hard to say.

23 Q. So you can't say?

24 MR. HUESTON: Objection; asked and answered.

25 THE WITNESS: Yeah, it's hard for me to

1 answer that question for all customers.

2 Q. (BY MS. JERJIAN) You testified that the online
3 cancellation experience in the United States has gone
4 from three pages to two pages, correct?

5 A. Yes.

6 Q. Has the mobile cancellation experience in the United
7 States also gone from three pages to two pages?

8 A. That's my recollection, yes.

9 Q. When did that change occur?

10 A. It's hard for me to be specific because we have
11 tested the changes for a long period of time and so as
12 a part of testing, we rolled it out to different
13 exposures of customers, so it's hard for me to be
14 specific as to the time frame the change was made.

15 Q. What is the exposure level of the two-page mobile
16 online cancellation flow today?

17 A. My recollection is that it's every customer should be
18 seeing the two-page flow.

19 Q. When did that 100 percent exposure of the two-page
20 online cancellation flow for mobile take place?

21 A. I don't recall the exact date.

22 Q. Do you remember the year?

23 A. It would have been since I've been in this role, so
24 since 2022. Sometime then.

25 Q. Was it at the same time as the desktop change?

1 A. It's hard for me to say exactly if it's the same
2 time. It would be approximately the same time.

3 Q. Were any other changes made to the online
4 cancellation -- no, strike that.

5 Were there any other changes, aside from the
6 number of pages, made to the mobile cancellation flow?

7 MR. HUESTON: Objection; vague.

8 THE WITNESS: Over what time period?

9 Q. (BY MS. JERJIAN) In 2022.

10 A. As I mentioned before, we continually make changes to
11 the cancellation flow.

12 MS. JERJIAN: Can you repeat my last
13 question, please.

14 (Question read.)

15 Q. (BY MS. JERJIAN) Specifically any changes made as
16 part of Project Cafe?

17 A. Over what time period?

18 Q. In 2022, aside from the number of pages, were there
19 any other changes made to the mobile cancellation flow
20 as part of Project Cafe?

21 A. Project Cafe is a name referring to changes to the
22 cancellation flow. It includes changes to buttons,
23 text, imagery, the entire experience.

24 Q. Does the current online cancellation flow vary
25 greatly from the mobile online cancellation flow

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010 authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify:

That the annexed and foregoing deposition transcript of the witness named herein was taken Stenographically before me and reduced to a typed format under my direction; that the transcript is a full, true and complete transcript of the proceedings, including all questions, objections, motions and exceptions of counsel, made and taken at the time of the foregoing proceedings, to the best of my abilities;

That I am not a relative, employee, attorney or counsel of any party to this action or relative or employee of any such attorney or counsel, and that I am not financially interested in the said action or the outcome thereof;

That the witness, before examination, was by me duly sworn, and the transcript was made available to the witness for reading and signing upon completion of transcription, unless indicated herein the waiving of signature;

I further certify that I am sealing the deposition in an envelope with the title of the above cause and the name of the witness visible, and I am delivering the same to the appropriate authority;

I further advise you that as a matter of firm policy, the Stenographic notes of this transcript will be destroyed three years from the date appearing on this Certificate unless notice is received otherwise from any party or counsel hereto on or before said date;

IN WITNESS WHEREOF, I have hereunto set my hand on this 2nd day of August, 2024, at Mountlake Terrace, Washington.



Holly J. Buckmaster, CCR # 2859.

EXHIBIT 98

LISA LEUNG Vol. I 30(b)(6), Confidential
FTC vs AMAZON.COM, INC., et al.

May 05, 2025

1

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
vs.) No. 2:23-cv-0932-JHC
)
AMAZON.COM, INC., et al.,)
)
Defendant.)
)
)

30(b)(6) DEPOSITION OF LISA LEUNG, VOLUME I

May 5, 2025

Seattle, Washington

***** Confidential *****

Reporter: Teri Simons, CCR, RMR, CRR

BE IT REMEMBERED that on Monday,
May 5, 2025, at 9:27 a.m., before Terilynn Simons,
Certified Court Reporter, CCR, RMR, CRR, CLR, appeared
LISA LEUNG, the witness herein;

WHEREUPON, the following proceedings
were had, to wit:

<<<<<< >>>>>>

LISA LEUNG, having been first duly sworn
by the Certified Court Reporter,
testified as follows:

EXAMINATION

BY MR. MENDELSON:

Q Good morning, Ms. Leung. My name is Evan Mendelson. I
am an attorney for the Federal Trade Commission
representing the Federal Trade Commission in this case.
I am joined by my colleague, Colin MacDonald, also an
attorney for the Federal Trade Commission.

If I can just have your counsel introduce
themselves.

MS. CHOU: Vicki Chou and Karen Ding
from Hueston Hennigan representing the witness.

Q (By Mr. Mendelson) Ms. Leung, could you state your full
name for the record, please?

A Yes. Full name is Lisa, L-I-S-A, Leung, L-E-U-N-G.

Q And in what city and state do you live?

1 participants for the version of the Prime cancellation
2 survey that's described in Exhibit No. 13?

3 A Yes, I do know.

4 Q Okay. And how did Amazon select participants for this
5 version of the survey?

6 A The survey was sent out in the confirmation e-mail of the
7 fact that they had cancelled, so it was sent to all
8 customers that got the cancellation confirmation.

9 Q Okay. I think I didn't ask this before, and you might
10 have answered it, but I missed it:

11 For the versions of the cancellation survey where
12 people were invited to answer by e-mail, did they go out
13 to 100 percent of cancelling customers or a smaller
14 percentage or a randomly selected percentage?

15 A My understanding is 100 percent.

16 Q And what you are not sure-- you are not sure though
17 whether different survey IDs were used to track different
18 cohorts of participants?

19 A Correct.

20 Q Okay. And so is it correct that you are not sure whether
21 Exhibit No. 13 corresponds to one or more survey IDs?

22 A I don't know which survey ID this particular exhibit
23 pertains to.

24 Q Okay. Is it possible it corresponds to more than one
25 survey ID?

1 A Yes.

2 Q If we could flip back to Exhibit No. 11-- setting aside
3 Exhibit No. 11.

4 In all versions of the cancellation survey, were
5 answer options, the order in which multiple choice
6 questions were presented, randomized?

7 A Which survey are you-- can you repeat your question?

8 Q Sure.

9 Each version of-- I'll withdraw the question.

10 MR. MENDELSON: Is now a good time for
11 a break?

12 MS. CHOU: Sure.

13 THE WITNESS: Sure.

14 MR. MENDELSON: Let's go off.

15 (Recess 2:39 to 2:53 p.m.)

16 Q (By Mr. Mendelson) Continuing on with testimony on Topic
17 A, has Amazon made any efforts to study whether the
18 population of people who take the 2020 cancellation
19 survey are representative of all Prime members that
20 cancel their Prime memberships?

21 MS. CHOU: This was a written
22 objection. I will just pose again that this is not an
23 appropriate topic for the corporate representative.

24 THE WITNESS: I am not a survey
25 expert, but the Prime cancellation survey isn't meant to

1 be representative of customers-- all customers that
2 cancel.

3 Q (By Mr. Mendelson) Okay. Setting aside whether it's
4 meant to be representative, has Amazon, separate from any
5 work done for this case-- well, separate from any expert
6 work done for this case, analyzed the extent to which
7 members who cancel their-- I'm sorry, people who take the
8 2020 cancellation survey are representative of all
9 customers who cancel their Prime memberships?

10 MS. CHOU: Same objection.

11 THE WITNESS: What was the first part
12 of your question?

13 (Section(s) designated were
14 read by the reporter.)

15 THE WITNESS: We've not done-- we
16 haven't done surveys to analyze the-- how representative
17 it is if customers cancel because we don't believe it's
18 representative of customers that cancel.

19 (Exhibit No. AMZN-14 marked
20 for identification.)

21 Q (By Mr. Mendelson) I am going to mark as Exhibit No. 14
22 an excerpt from the deposition of Jamil Ghani.

23 Exhibit No. 14 contains Pages-- Transcript Pages 27
24 through 30 of Mr. Ghani's deposition transcript in this
25 case.

1 I will state for the record, and I don't think it
2 matters for my questions, but since it did not include
3 the errata sheet, I should note that there was one errata
4 from these pages. It was Page 28, Line No. 7, I believe.
5 Instead of the word "sign," it should say, "take."

6 With that noted, looking at-- within Exhibit No. 14,
7 Transcript Page 28, Lines 2 to 5, Mr. Ghani states, "We
8 have inspected the cancellation survey and have shown
9 that it is not representative of all cancelling members
10 for-- I don't want to say 'obvious,' but for good reasons
11 that are understood."

12 Did I read that correctly?

13 A Yes.

14 Q Are you aware of anyone in the Prime organization
15 inspecting the cancellation survey and showing that it's
16 not representative of all cancelling members?

17 A We know it's not representative of all cancelling
18 members.

19 Q Are you aware of anyone inspecting the cancellation
20 survey to reach that conclusion?

21 A It's difficult for me to say "inspected."

22 Everyone that worked on the survey and has looked at
23 the data of the survey within the Prime team knows that
24 it's not representative of all cancelling members because
25 of the survey design.

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing deposition of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That, according to CR 30(e), the witness was given the opportunity to examine, read, and sign the deposition after same was transcribed, unless indicated in the record that the review was waived;

That I am not a relative or employee of any attorney or counsel of participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the deposition as transcribed is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions, and examinations, and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



/S/TERILYNN SIMONS, CCR, RPR, RMR, CRR

State of Washington CCR #2047

My CCR certification expires on 7/7/25

EXHIBIT 99

LISA LEUNG Vol. II 30(b)(6), Confidential
FTC vs AMAZON.COM, INC., et al.

May 06, 2025
227

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
vs.) No. 2:23-cv-0932-JHC
)
AMAZON.COM, INC., et al.,)
)
Defendant.)
)
)

30(B)(6) DEPOSITION OF LISA LEUNG, VOLUME II

May 6, 2025

Seattle, Washington

***** Confidential *****

Reporter: Teri Simons, CCR, RMR, CRR

1 so--

2 MR. MENDELSON: It will be Colin
3 today, but before that, do you know if the Topic C
4 related documents that are privileged are on the logs?

5 MS. CHOU: That is a good question. I
6 don't know.

7 MR. MENDELSON: Okay.

8 THE WITNESS: So I wanted to make a
9 clarification as well to what I testified to yesterday.

10 I mentioned yesterday that the guidelines we
11 discussed covered interpretations of the law.

12 I also wanted to emphasize that it also included
13 best practices, and the intent of it was to go above and
14 beyond what was the bare minimum of laws and statutes but
15 also just the best practices for the customer experience.

16 Another clarification, near the end of my testimony
17 yesterday I mentioned that Amazon does not set goals for
18 customer service contacts. I want to clarify that Prime
19 does not set goals for customer service contacts.

20 Amazon and the customer service team definitely sets
21 goals for customer service contacts.

22 /////

23 LISA LEUNG, having been previously sworn
24 by the Certified Court Reporter,
25 testified as follows:

1 Q Okay. And it is that associate's interpretation that is
2 used to determine whether the customer gets a refund in
3 line with the policy?

4 A Incorrect.

5 Q Okay. So how does the customer service associate factor
6 in to whether or not a consumer who cancelled by phone
7 gets a refund?

8 A The customer service associate doesn't factor in, in the
9 application of the refund policy.

10 Every customer that cancels goes through the refund
11 policy rules to determine how much of a refund they get.

12 A customer service associate has their own
13 discretion to apply an even more generous refund on top
14 of the refund policy.

15 Q Okay. How much more generous can that refund from the
16 customer service associate be?

17 A It varies.

18 Q Okay. Is there a cap on how much a first line customer
19 service associate can offer as a refund?

20 A There is a cap based on the first line versus a higher-up
21 manager for a customer service associate.

22 Q Okay. And are those caps documented anywhere?

23 A They are documented, and to clarify, if a customer
24 service associate meets that cap, they just say, "I need
25 to verify"-- with their leadership.

1 Q So is that cap documented in the same document as
2 documents the policy for consumers who get a refund
3 automatically under the policy?

4 A No, it wouldn't be the same document.

5 Q Okay.

6 A What I'm speaking about is customer service associates
7 have their own rules to concession amounts a customer
8 service associate can offer. That's for all Amazon
9 concessions, including Prime, those limits apply.

10 Then we have a Prime refund policy.

11 Q Okay. And so those limits, are those per consumer or in
12 aggregate or both?

13 A Per consumer is what I'm aware of.

14 Q Okay.

15 A Maybe the customer service associate probably has a cap
16 per customer service associate. I am not sure, but
17 it's-- the cap I am speaking to is per consumer.

18 Q So in what kinds of circumstances would Amazon offer a
19 consumer-- well, let me rephrase.

20 We talked about consumers who get refunds
21 automatically according to the policy.

22 Who decides whether to give a consumer a refund
23 outside of the policy?

24 A As I mentioned before, every customer gets a refund
25 relative to the refund policy.

1 Any refund above and beyond that is entirely up to
2 the discretion of the customer service associate.

3 Q Okay. Does Amazon have any policies in place to
4 standardize how those customer service associates handle
5 refund requests?

6 A I can't speak to customer service associates' guidance
7 for all Amazon, but for Prime, not that I'm aware of.

8 The customer service associate is responsible and
9 measured on customer satisfaction.

10 Q And are there any guidelines given for how to determine
11 how much to give above and beyond policy?

12 A Not that I'm aware of.

13 It's up to the customer service associates'
14 discretion.

15 Q Okay.

16 A There may be best practices.

17 Q And if Amazon offers a refund beyond what policy
18 requires, is the reason for that additional refund
19 documented anywhere?

20 A Subject to the same-- as to what I testified earlier as
21 to SIC codes, it would be classified as a SIC code.

22 Q Okay. And so Amazon would use the SIC codes to determine
23 for what reason a refund was given?

24 A Correct.

25 Q All right. We will go back to the document I started

1 asking about before and pivoted away from.

2 We are going to be talking about Testimonial Topic
3 E, prior Topic No. 16, and I previously gave you-- I want
4 to say I marked it as 28, but it might have been 27.

5 A 28.

6 Q It looks like this.

7 A Yes, 28.

8 Q Great.

9 I believe you testified before, but let me know if I
10 have this incorrect, that you are familiar with this
11 document.

12 A Yes, I am.

13 Q And you reviewed this document in preparation for today's
14 hearing; is that correct?

15 A Yes.

16 Q Just to orient us because we don't have the luxury of
17 that realtime, I am going to ask you to once again
18 summarize this, and I won't hold you to it if you have a
19 slight difference between this and what you described
20 earlier--

21 A What are you asking me to summarize?

22 Q Summarize the study that this document describes.

23 A This document summarizes a "Study of an unmoderated user
24 test with 16 active Prime members in the US, in order to
25 gather more customer feedback for both the old three-page

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing deposition of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That, according to CR 30(e), the witness was given the opportunity to examine, read, and sign the deposition after same was transcribed, unless indicated in the record that the review was waived;

That I am not a relative or employee of any attorney or counsel of participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the deposition as transcribed is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions, and examinations, and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



/S/TERILYNN SIMONS, CCR, RPR, RMR, CRR

State of Washington CCR #2047

My CCR certification expires on 7/7/25

EXHIBIT 100

MARSHINI CHETTY, PH.D. Confidential
FTC vs AMAZON.COM, LLC, et al.

April 28, 2025

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE
FEDERAL TRADE COMMISSION,
Plaintiff,
vs. No. 2:23-cv-0932-JHC
AMAZON.COM, et al.
Defendants.
_____ /

The Above-Captioned Video-Recorded Deposition of
MARSHINI CHETTY, Ph.D.
9:23 a.m. - 6:31 p.m.
April 28, 2025

CONFIDENTIAL DESIGNATION 20:1-423:6

REPORTED BY:
STEVEN POULAKOS, RPR
JOB NO: J12762346

P R O C E E D I N G S

- - -

THE VIDEOGRAPHER: This is tape number one in the videotaped deposition of Marshini Chetty in the matter of Federal Trade Commission versus Amazon.com, Inc., et al. being heard before the United States District Court, Western District of Washington at Seattle, Case Number 2:23-CV-0932-JHC.

This deposition is being held at 400 Seventh Street, Southwest, Washington, D.C. on April 28th, 2025, at 9:23 a.m. My name is Nathan Kane and I'm the videographer. The court reporter is Steven Poulakos.

Counsel, will you please introduce yourselves and affiliation and the witness will be sworn.

MR. KABA: Moez Kaba, Cassidy O'Sullivan on behalf of the defendants.

MS. JERJIAN: Olivia Jerjian on behalf of plaintiff, the Federal Trade Commission, and I'm here with my paralegal, Johana Mejia-Portillo. Whereupon,

MARSHINI CHETTY, Ph.D,
called as a witness, having been first duly sworn to tell the truth, the whole truth, and nothing but the

1 truth, was examined and testified as follows:

2 EXAMINATION BY MR. KABA

3 Q Good morning, Dr. Chetty.

4 A Good morning.

5 Q Have you been deposed before?

6 A No.

7 Q All right. So let me -- I'm sure you've
8 gone over some ground rules with counsel here, but let
9 me go over some for you. We're making a record, so all
10 of your responses need to be audible. I see you
11 nodding your head. So that's rule number one. We need
12 audible responses.

13 A Okay.

14 Q If you don't understand a question that I
15 have asked you, you should feel free to ask me to
16 clarify and I'll try to do that. But if you go ahead
17 and respond to the question, me and everybody that is
18 watching the video or reading the transcript will
19 understand that you understood the question; is that
20 fair?

21 A That sounds fair.

22 Q Because we're taking a written record of
23 everything that's being said, it's going to be
24 important that you allow me to finish asking my
25 questions, you allow counsel to finish any objections

MARSHINI CHETTY, PH.D. Confidential
FTC vs AMAZON.COM, LLC, et al.

April 28, 2025

72

1 listed here?

2 A Not to my knowledge, no.

3 Q Dr. Chetty, if your business -- is there
4 some place the business can look to determine which
5 dark patterns or so-called dark patterns are okay to
6 implement in your view versus not okay to implement?

7 MS. JERJIAN: Objection, form, vague, calls
8 for a legal conclusion.

9 THE WITNESS: You're asking me to speculate
10 if I'm a business. What kind of business?

11 BY MR. KABA:

12 Q I'm not asking you to speculate if you are
13 a business.

14 A Oh.

15 Q I'm saying from the perspective of a
16 business, is there a place that they could look to
17 determine which dark patterns are okay to use versus
18 not okay?

19 MS. JERJIAN: Objection, form, calls for
20 speculation, calls for a legal conclusion.

21 THE WITNESS: Well, I would think it's
22 probably not okay to use dark patterns given that they
23 coerce, deceive and manipulate people.

24 BY MR. KABA:

25 Q So in your view, a business is not allowed

MARSHINI CHETTY, PH.D. Confidential
FTC vs AMAZON.COM, LLC, et al.

April 28, 2025

73

1 to even use a single thing that you would characterize
2 as dark pattern; is that right?

3 MS. JERJIAN: Objection, mischaracterizes
4 the testimony, form.

5 THE WITNESS: I didn't say that. I just
6 said -- you asked me where a business could look if
7 they should use a dark pattern or not and I said,
8 well --

9 BY MR. KABA:

10 Q No. Sorry. I may have not asked you a
11 clear question. Let me try my question again.

12 A Okay.

13 Q It is quite prevalent in online commerce
14 that companies are using what you would characterize as
15 dark patterns, correct?

16 MS. JERJIAN: Objection, form, vague as to
17 prevalence, vague as to dark patterns.

18 THE WITNESS: You're asking me if online
19 shopping commerce sites use dark patterns and I said
20 yes.

21 BY MR. KABA:

22 Q And, in fact, you've even done some
23 analyses of how prevalent the use of dark patterns in
24 online commerce is, correct?

25 MS. JERJIAN: Objection, form.

1 THE WITNESS: If you're asking me if I've
2 written a research paper about that topic of prevalence
3 of dark patterns in online shopping websites, then,
4 yes.

5 BY MR. KABA:

6 Q And my question for you is: Is it okay for
7 businesses to use any dark patterns?

8 MS. JERJIAN: Objection, form, vague as to
9 okay.

10 THE WITNESS: I'm not sure what you mean by
11 okay and I'm also not sure which dark patterns you're
12 specifically asking about.

13 BY MR. KABA:

14 Q I'm asking about any. Anything that you
15 would characterize as a dark pattern, do you -- would
16 you find it acceptable for a business to use it?

17 MS. JERJIAN: Objection, vague as to
18 acceptable, form.

19 THE WITNESS: Okay. So you're asking me if
20 a business should use a dark pattern and, again, I'd
21 say I'm not sure which dark patterns you're talking
22 about, but dark patterns are generally deceptive or
23 coercing or manipulative. And so I guess my question
24 would depend on which dark pattern you're talking
25 about, which business you're talking about, what the

1 context of use is.

2 BY MR. KABA:

3 Q Right. Okay. So in order to assess
4 whether it is acceptable in your expert opinion for a
5 business to use a dark pattern, you would want -- you
6 would look at what is the dark pattern, what is the
7 business, what is the context of use, correct?

8 MS. JERJIAN: Objection, form,
9 mischaracterizes the testimony.

10 THE WITNESS: Well, again, you're asking me
11 if a business should use a dark pattern or not or if
12 it's okay. I'm not sure what you mean by okay, like --

13 BY MR. KABA:

14 Q I didn't -- my question did not even use
15 the word okay, Dr. Chetty. So let me ask you my
16 question again. I really, really appreciate it if you
17 could focus on my question. Okay? Now I did use the
18 word okay. Okay?

19 A Okay.

20 Q In order to assess whether it is acceptable
21 in your expert opinion for a business to use a dark
22 pattern or what you would characterize as a dark
23 pattern, what are the different factors that you would
24 consider?

25 MS. JERJIAN: Objection, form, vague.

MARSHINI CHETTY, PH.D. Confidential
FTC vs AMAZON.COM, LLC, et al.

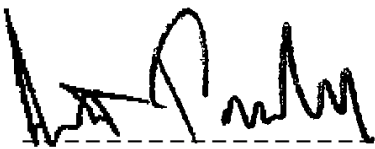
April 28, 2025
426

CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC

I, Steven Poulakos, registered
Professional Reporter, the officer before whom the
foregoing proceedings were taken, do hereby certify
that the foregoing transcript is a true and correct
record of the proceedings; that said proceedings were
taken by me stenographically and thereafter reduced to
typewriting under my supervision; and that I am neither
counsel for, related to, nor employed by any of the
parties to this case and have no interest, financial or
otherwise, in its outcome.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my notarial seal this 28th day of
April 2025.

My commission expires:
August 14, 2029



NOTARY PUBLIC IN AND FOR
THE DISTRICT OF COLUMBIA

EXHIBIT 101

MONIQUE MASCIO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025

1

1 UNITED STATES DISTRICT COURT
2 FOR THE WESTERN DISTRICT OF WASHINGTON
3 AT SEATTLE

4 FEDERAL TRADE COMMISSION,

5
6 Plaintiff,

7 vs. Civil Action No. 2:23-cv-00932-JHC

8
9 AMAZON.COM, INC.,
10 et al.,

11 Defendants.

12
13 **CONFIDENTIAL TRANSCRIPT**

14 DEPOSITION UPON ORAL EXAMINATION

15 VIA ZOOM OF

16 MONIQUE MASCIO
17

18
19
20
21
22
23 DATE: March 20, 2025

24 REPORTED BY: Holly J. Buckmaster, CSR

25 CSR No. 2859

MONIQUE MASCIO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025

6

1 LOS ANGELES, CALIFORNIA; THURSDAY, MARCH 20, 2025

2 9:00 A.M.

3 --oOo--

4
5 MONIQUE MASCIO, being first duly sworn by a certified
6 shorthand reporter testified as follows:

7
8
9 MR. HUESTON: I guess we will make our
10 appearances. It is John Hueston and Karen Ding of
11 Hueston Hennigan on behalf of Amazon, Neal Lindsay,
12 Jamil Ghani and Russell Grandinetti.

13 MR. PACHECO: Good morning, this is Anthony
14 Pacheco with Spertus, Landes & Josephs on behalf of the
15 third party witness, Monique Mascio.

16 MS. JERJIAN: Good morning, this is Olivia
17 Jerjian with the Federal Trade Commission and I'm here
18 with our paralegal, Elena Hofmann.

19 MR. HUESTON: Okay. Great. Let's proceed.
20

21 E X A M I N A T I O N

22 BY MR. HUESTON:

23 Q. (BY MR. HUESTON) Good morning, Ms. Mascio. Did I
24 pronounce your name correctly?

25 A. Yes.

MONIQUE MASCHIO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025

76

1 ride-alongs. Did you ever go on a ride-along?

2 A. No. But they had them at times inside of the Amazon
3 office, so it was an option to -- to view it live or
4 view it from another room and watch it on camera.

5 Q. Okay. But just so I have some clear questions and
6 answers, you did not ever go on a ride-along yourself,
7 correct?

8 A. No.

9 Q. No, you did not?

10 A. Huh-uh.

11 Q. I just have to -- we don't have a clear transcript.
12 It's correct that you never personally went on a
13 ride-along?

14 MS. JERJIAN: Objection; vague.

15 THE WITNESS: No, I did not go on a
16 ride-along.

17 Q. (BY MR. HUESTON) Okay. Thank you.

18 And then you said there may have been
19 recordings of ride-alongs; is that right?

20 A. There were, yes.

21 Q. And how many of those recordings did you personally
22 review?

23 A. I want to say five.

24 Q. Okay. Okay. You also mentioned customer frustration
25 tickets, correct?

MONIQUE MASCIO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025

77

1 A. Correct.

2 Q. And how many of the customer frustrations' tickets do
3 you recall personally reviewing?

4 A. Ten.

5 Q. Okay.

6 A. Ten or more.

7 Q. Ten or more but let's -- I'll try to -- ten to maybe 20;
8 is that fair?

9 A. Correct.

10 Q. All right. Would you agree that there will always be
11 some fraction of customers having some confusion no
12 matter how clear something is in marketing?

13 MS. JERJIAN: Objection; argumentative.

14 THE WITNESS: No.

15 Q. (BY MR. HUESTON) In your view, it is -- is it possible
16 when you have hundreds of millions of customers to
17 create a website where not one customer could wind up
18 being confused in terms of enrolling or cancelling, is
19 that your view?

20 MS. JERJIAN: Objection; form, improper
21 hypothetical.

22 THE WITNESS: No, that's not my view.

23 Q. (BY MR. HUESTON) That's because no matter how much of an
24 effort one makes to make a website clear, there is
25 always going to be some customers who will be confused,

MONIQUE MASCO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025
78

1 right?

2 MS. JERJIAN: Objection; form, argumentative,
3 improper hypothetical.

4 Q. (BY MR. HUESTON) You can answer.

5 A. There's fundamental components of Clarity that when
6 incorporated mitigate confusion.

7 Q. Right. But that's not what I asked. I understand there
8 are efforts and one can attempt to mitigate confusion,
9 but there are no number of components of Clarity that
10 can be incorporated to fully eliminate confusion, you
11 would agree with that, right?

12 MS. JERJIAN: Objection; form, leading
13 question, argumentative, improper hypothetical.

14 Q. (BY MR. HUESTON) You can answer.

15 A. Within an experience, there's multiple aspects of what
16 could be confusing. I -- I don't necessarily -- I don't
17 agree with that statement, no.

18 Q. (BY MR. HUESTON) Okay. So again, so I'm clear, in your
19 view, with Amazon Prime, with hundreds of millions of
20 consumers, your view is that implementation of Clarity
21 procedures should, if done properly, eliminate all
22 confusion for all customers; is that right?

23 MS. JERJIAN: Objection; form, leading
24 question, compound, argumentative, improper
25 hypothetical.

MONIQUE MASICIO Confidential
FTC vs AMAZON.COM, INC., et al.

March 20, 2025
277

C E R T I F I C A T E

STATE OF WASHINGTON)

COUNTY OF KING)ss:

I, the undersigned Washington Certified Court Reporter,
pursuant to RCW 5.28.010 authorized to administer oaths and
affirmations in and for the State of Washington, do hereby
certify:

That the annexed and foregoing deposition transcript of
the witness named herein was taken Stenographically before
me and reduced to a typed format under my direction; that
the transcript is a full, true and complete transcript of
the proceedings, including all questions, objections,
motions and exceptions of counsel, made and taken at the
time of the foregoing proceedings, to the best of my
abilities;

That I am not a relative, employee, attorney or counsel
of any party to this action or relative or employee of any
such attorney or counsel, and that I am not financially
interested in the said action or the outcome thereof;

That the witness, before examination, was by me duly
sworn, and the transcript was made available to the witness
for reading and signing upon completion of transcription,
unless indicated herein the waiving of signature;

I further certify that I am sealing the deposition in
an envelope with the title of the above cause and the name
of the witness visible, and I am delivering the same to the
appropriate authority;

I further advise you that as a matter of firm policy,
the Stenographic notes of this transcript will be destroyed
three years from the date appearing on this Certificate
unless notice is received otherwise from any party or
counsel hereto on or before said date;

IN WITNESS WHEREOF, I have hereunto set my hand on this
31st day of March, 2025, at Mountlake Terrace, Washington.

Holly J. Buckmaster, CCR # 2859

EXHIBIT 102

In the Matter Of:

FTC vs AMAZON.COM, INC., et al.

2:23-cv-00932-JHC

RACHEL K. GREEN

May 19, 2025

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025

1

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
v.) Civil Action No.
) 2:23-cv-00932-JHC
AMAZON.COM, INC., et al.,)
)
Defendants.)
)
)

DEPOSITION OF RACHEL K. GREEN

May 19, 2025

Seattle, Washington

Reporter: John M.S. Botelho, CCR, RPR

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025

6

1 BE IT REMEMBERED that on Monday,
2 May 19, 2025, at 920 Fifth Avenue, Suite 3300,
3 Conference Room 101, Seattle, Washington, at
4 11:10 a.m., before JOHN M.S. BOTELHO, Certified Court
5 Reporter, appeared RACHEL K. GREEN, the witness
6 herein;

7 WHEREUPON, the following
8 proceedings were had, to wit:

9
10 <<<<<< >>>>>>

11
12 RACHEL K. GREEN, having been first duly sworn
13 by the Certified Court
14 Reporter, deposed and
15 testified as follows:

16
17 EXAMINATION

18 BY MS. SIFUENTES:

19 Q Ms. Green, could you please state your full name for
20 the record.

21 A Rachel Kathleen Green.

22 Q Have you ever been deposed before?

23 A No.

24 Q Okay. Your attorney's probably gone over some ground
25 rules. I'll just try and help with some procedural

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
89

1 A Yes. Thank you for getting that.

2 Q Yes, I did get it. I think that generation maybe
3 gets it.

4 And then underneath, there's two choices: "Yes"
5 or "no."

6 Is that right?

7 A Yes.

8 Q And so "yes" states, "Watch the Prime Listening
9 Session video," and there's a link to a video?

10 A It looks like it, yes.

11 Q And "no," it says, "No, I don't care about our
12 customers"?

13 A Yes.

14 Q Okay. And then in response to this e-mail, Caroline
15 Moeller sends a message to you, saying, "This seems
16 like 'customer shaming' -- what happened to our No
17 Thanks decline option!" -- winky face -- "just
18 kidding."

19 Is that right?

20 A That's correct.

21 Q Okay. So what was your understanding of what
22 Caroline was referring to in her response e-mail to
23 you sending out the newsletter?

24 A Mm-hmm.

25 MR. ARONSOHN: Objection.

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
90

1 Speculation.

2 THE WITNESS: So this was about a
3 previous pattern that has -- had been done with the
4 Prime sign-up. It's like -- like UPDP, I think is
5 what it's called. And I can't remember exactly what
6 it stands for. But that's about when you say, Would
7 you like, you know, to sign up for Prime? And then
8 you say, like, yes or no, right? You would think for
9 the options.

10 So previously the "no" option said, "No, I don't
11 want free shipping." And so that is a dark pattern.
12 It's called confirmshaming. A lot of websites use
13 this. They say -- you know, so I was trying to be
14 funny. Again, this is my part of the website or part
15 of the newsletter that I try to be funny and get
16 people's attention. So I was just using that dark
17 pattern as a joke, and that's what she's referring
18 to.

19 Q (By Ms. Sifuentes) So UPDP, you said you don't
20 remember exactly what it stands for.

21 Does it help if I tell you, does it stand for
22 "universal Prime decision page"?

23 A That sounds like it could be right.

24 Q Does it help jog your recollection basically?

25 A I always just called it the UPDP.

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
91

Q Okay. And so you were making a joke about a dark
pattern that Amazon used on UPDP?

MR. ARONSOHN: Objection.
Mischaracterizes testimony.

THE WITNESS: No. I was -- it was
a joke about confirm- -- customer shaming, and it was
to see -- it was, you know, to see if people would
get the joke and then understand, like, why this is a
bad pattern to use.

And the reason Caroline knows about it is because
we've talked, or my team -- not me personally, but my
team -- spoke with her team about confirmshaming and
that we -- you know, not that they were doing that,
but just, like, that's one thing we shouldn't do.

And so she understood the concept of customer
confirmshaming, so...

Q (By Ms. Sifuentes) She also makes a reference in her
reply e-mail to "our No Thanks decline option."

What did you understand that to be referring to?

A So instead of saying, "No, I don't care about our
customers" -- that's the shaming part -- you would
just say "No Thanks."

Q And is the "No Thanks" decline option also something
that was instituted on the UPDP?

MR. ARONSOHN: Objection. Lack of

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
154

1 Q Well, something that's clear to one person who's more
2 neurotypical might be less clear to someone who has
3 autism.

4 Is that a fair statement?

5 A I don't think I can speak to that. I think that --
6 feeling like that's kind of an ableist comment to
7 make.

8 Q Okay. Can you please turn back to Page 2, in the
9 third full paragraph.

10 And the paragraph I'm looking at is the one that
11 starts, "This research study took place."

12 If you could let me know when you're there.

13 A Yeah, I'm there.

14 Q You write, quote, "This research study took place in
15 2018, and Content Experimentation has since updated
16 the templates for Prime upsell in checkout for
17 increased clarity."

18 Do you see that?

19 A Yes.

20 Q So the customer's experience we saw on Page 1 of this
21 document, that took place in 2018, right?

22 A It looks like that was the customer experience in
23 2018, yes.

24 Q Okay. And as you write here after 2018, Amazon made
25 changes to address that customer's issue; is that

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
155

1 right?

2 A That's what it looks like I said, yes.

3 Q So between 2018 and 2021 when you sent this e-mail,

4 Amazon updated the templates for Prime upsell in

5 checkout for increased clarity; is that right?

6 A That looks to be the case.

7 Q And Amazon in that time period changed the

8 call-to-action buttons to ensure that they weren't

9 confirmshaming, right?

10 A That's what it says here.

11 Q Would you agree that this is an example of Amazon

12 doing the right thing by customers?

13 A Yes.

14 Q And do you know one way or the other, is that sort of

15 change something that would require sign-off from

16 leadership?

17 A I don't know one way or the other.

18 Q Okay. During your time at Amazon, can you recall

19 Amazon making any other clarity improvements like

20 this one?

21 A I can't recall anything.

22 Q Okay. I'm going to show you now another document,

23 which is going to be marked Exhibit 7.

24 (Exhibit No. 7 marked for

25 identification.)

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
156

1 Q (By Mr. Aronsohn) And just let me know when you have
2 that in front of you, Ms. Green.

3 (Discussion off the record.)
4

5 MR. NEVAREZ: I'll give Rachel the
6 marked one.

7 THE WITNESS: Okay.

8 Q (By Mr. Aronsohn) Just let me know when you're
9 ready, Ms. Green.

10 A Is there a specific part of this you'd like to draw
11 my attention to?

12 Q Sure. Yeah. If you could start by just looking at
13 the top of the first page.

14 This is an e-mail thread between you, Molly
15 O'Donnell, Lisa Nghiem -- I apologize if I'm saying
16 her last name incorrectly -- and AmyLeigh Morgan; is
17 that right?

18 A Yes.

19 Q Okay. Now, if you could please turn to the second
20 page of the document, at the bottom. There's an
21 e-mail from you, dated June 8th, 2021.

22 Do you see that?

23 A Yes.

24 Q Do you recall sending this e-mail?

25 A Not really, no.

RACHEL K. GREEN
FTC vs AMAZON.COM, INC., et al.

May 19, 2025
178

1 STATE OF WASHINGTON) I, John M. S. Botelho, CCR, RPR,
2) ss a certified court reporter
3 County of Pierce) in the State of Washington, do
4 hereby certify:

5 That the foregoing deposition of RACHEL K. GREEN was
6 taken before me and completed on May 19, 2025, and
7 thereafter was transcribed under my direction; that the
8 deposition is a full, true and complete transcript of the
9 testimony of said witness, including all questions, answers,
10 objections, motions and exceptions;

11 That the witness, before examination, was by me duly
12 sworn to testify the truth, the whole truth, and nothing but
13 the truth, and that the witness reserved the right of
14 signature;

15 That I am not a relative, employee, attorney or counsel
16 of any party to this action or relative or employee of any
17 such attorney or counsel and that I am not financially
18 interested in the said action or the outcome thereof;

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 this 22nd day of May, 2025.

21
22
23
24
25

John M. S. Botelho, CCR, RPR
Certified Court Reporter No. 2976
(Certification expires 5/26/2026.)

EXHIBIT 103

800.211.DEPO (3376)
EsquireSolutions.com

REID NELSON
FTC vs AMAZON.COM

February 27, 2025

8

1 MS. VANDRUFF: Good morning. I'm Laura
2 Vandruff representing nonparty Mr. Nelson. I've been
3 admitted pro hac vice in this matter to defend Mr. Nelson's
4 deposition.

5 Mr. Nelson is appearing pursuant to Amazon's
6 January 21st subpoena. We understand that this deposition,
7 taken under Rule 30 of the Federal Rules of Civil Procedure,
8 will conclude today within the time period provided by the
9 rule.

10 Mr. Nelson intends to read and sign the transcript, and
11 I'm reiterating the request I made to our court reporter
12 earlier for a copy of the transcript.

13 Joined with me today is Cristina Ferretti of Kelley
14 Drye.

15 MR. COHEN: Good morning. Jonathan Cohen
16 for the government. With me today as well is my colleague
17 Colin MacDonald.

18 THE VIDEOGRAPHER: Thank you. Would the
19 court reporter please swear in the witness.

20

21 REID NELSON, having been first duly sworn,
22 deposed and testified as
23 follows:

24

25 THE VIDEOGRAPHER: You may proceed.

REID NELSON
FTC vs AMAZON.COM

February 27, 2025

112

1 Q. What was your understanding?

2 A. That the data sciences -- data science teams' downstream
3 expectation model did not have adequate inputs that would
4 help measure and illustrate the unique impact an experiment
5 might have on a nonPrime experience user cohort.

6 Q. Did any of the issues you just described apply also to Prime
7 customers?

8 A. The statement I just made was about nonPrime customers.

9 Q. Right. Would that apply at all to Prime -- to Prime
10 customers?

11 A. Oh, okay. Sure. I couldn't say.

12 Q. Okay.

13 A. It's possible.

14 Q. You just don't know one way or the other?

15 A. Yeah.

16 Q. Okay. Fair enough. We can put that aside.

17 A. Okay.

18 Q. I think you testified a little bit about this on Tuesday,
19 that the UPDP page at one point offered users a choice
20 between an enrollment button and a no thanks link.

21 You recall that, right?

22 A. I recall that.

23 Q. Okay. And would you characterize the Prime no thanks link as
24 an anti-pattern?

25 A. Being a link rather than an equivalent button?

REID NELSON
FTC vs AMAZON.COM

February 27, 2025

113

1 Q. Sure.

2 A. Yes, I would.

3 Q. Okay. And in your view -- well, in your experience, is

4 having a no thanks link as opposed to a button, is that a

5 fairly common marketing practice in the industry?

6 MR. COHEN: Objection.

7 THE WITNESS: Yes.

8 BY MR. HUESTON:

9 Q. Could you name any other anti-patterns that you believe are
10 common marketing practices in the industry?

11 MR. COHEN: Objection. Vague as to
12 industry.

13 THE WITNESS: Can you define industry and
14 what common means?

15 BY MR. HUESTON:

16 Q. Well, you were able to answer when I asked you, "In your
17 experience, is -- having a no thanks link as opposed to a
18 button, is that a fairly common marketing practice in the
19 industry?" You said, "Yes."

20 Are there any others other than that that you would
21 feel is fairly common in the industry?

22 MR. COHEN: Objection to form, "common in
23 the industry."

24 THE WITNESS: Industry being
25 consumer-facing interstitials?

REID NELSON
FTC vs AMAZON.COM

February 27, 2025

114

1 BY MR. HUESTON:

2 Q. Sure.

3 A. Okay. Interstitials?

4 Q. Yes.

5 A. Okay. Other common interstitial marketing patterns --
6 anti-patterns.

7 Could include -- and I'm speaking to the time that I
8 was employed at Amazon, not today.

9 Q. Let's start there, your time employed at Amazon.

10 A. All right. Using content language labels in buttons that may
11 not be entirely clear as to the action the user is taking, or
12 the alternative, using language that shames the user into not
13 taking a negative option for fear of missing out, or any
14 number of manipulation -- manipulative phrasing, just to name
15 a couple that come to mind.

16 Q. Take a moment, but I would appreciate any others that you
17 might be able to dig out of your memory.

18 A. Defaulting users to an option that has a financial
19 consequence or some other consequence of importance to them,
20 privacy or otherwise, which can include having to untick a
21 check box that's been default ticked, displaying financial
22 consequences or other important consequences the user would
23 want to consider to make an informed decision in fine print
24 somewhere on the page that is difficult to read or that the
25 user must scroll to to display or find.

REID NELSON
FTC vs AMAZON.COMFebruary 27, 2025
271

1 REPORTER'S CERTIFICATE

2
3 I, CONNIE A. RECOB, the undersigned Certified Court
4 Reporter, authorized to administer oaths and affirmations in
5 and for the States of Washington, Oregon, Utah and Idaho, do
6 hereby certify that the sworn testimony and/or proceedings, a
7 transcript of which is attached, was given before me at the
8 time and place stated therein; that any and/or all
9 witness(es) were duly sworn to testify to the truth; that the
10 sworn testimony and/or proceedings were by me
11 stenographically recorded and transcribed under my
12 supervision, to the best of my ability; that the foregoing
13 transcript contains a full, true, and accurate record of all
14 the sworn testimony and/or proceedings given and occurring at
15 the time and place stated in the transcript; that a review of
16 which was requested; that I am in no way related to any party
17 to the matter, nor to any counsel, nor do I have any
18 financial interest in the event of the cause.

19 WITNESS MY HAND and SIGNATURE this 11th day of March,
20 2025.

21
22
23 _____
24 /s/CONNIE A. RECOB, RMR, CRR
25 Washington CCR No. 2631
Oregon CCR No. 15-0436
Utah CCR No. 1133171-7801
Idaho CCR No. SRL-1220

EXHIBIT 104

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024

1

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

AT SEATTLE

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
vs.) No. 2:23-cv-0932-JHC
)
AMAZON.COM, INC., et al.,)
)
Defendant.)
)
)

DEPOSITION OF REX MOREY

July 25, 2024

Seattle, Washington

***** Confidential *****

Reporter: Teri Simons, CCR, RMR, CRR

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024

6

1 BE IT REMEMBERED that on Thursday,
2 July 25, 2024, at 8:33 a.m., before Terilynn Simons,
3 Certified Court Reporter, CCR, RMR, CRR, CLR, appeared
4 REX MOREY, the witness herein;

5 WHEREUPON, the following proceedings
6 were had, to wit:

7 <<<<<< >>>>>>

8 REX MOREY, having been first duly sworn
9 by the Certified Court Reporter,
10 testified as follows:

11 EXAMINATION

12 BY MR. NARDINI:

13 Q Good morning. Could you please state your name for the
14 record?

15 A Rex Morey.

16 Q Good morning, Mr. Morey. My name is Max Nardini. I am
17 an attorney with the Federal Trade Commission.

18 I'm joined here today with my co-counsel Olivia
19 Jerjian and Evan Mendelson, and also paralegal team
20 member Elena Hubbell.

21 MR. NARDINI: And is there anyone else
22 from the FTC on the line?

23 (No response.)

24 Q (By Mr. Nardini) Mr. Morey, you are represented by
25 counsel here today, correct?

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024
160

1 There's no specificity. Like "Common issue across
2 countries," it's very vague.

3 Q What is your understanding of what you wrote?

4 A My understanding is that across countries there can be
5 people who have indicated that they might have mistakenly
6 signed up.

7 Q Do you recall writing this?

8 A I don't remember this message, no.

9 Q So when you said that it was written imprecisely, that is
10 your commentary as of reviewing it today, not what you
11 thought at the time necessarily, correct?

12 A It's not clear to me if I mean "common"-- I think I mean
13 "common" meaning like this potential issue is in other--
14 comes across in other countries, not that it was common,
15 like a big issue, but that the same potential issue has
16 been raised in other countries, across countries.

17 That's how I read it right now.

18 Q That's how you read it right now, and you have no
19 specific recollection of when you wrote it, correct?

20 A I don't remember this discussion, no.

21 Q And then "Nikki Baidwan"-- I should say I am continuing
22 on with what you wrote here.

23 "Nikki Baidwan and her team are working on an effort
24 to improve clarity."

25 Did I read that correctly?

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024
161

1 A Yes.

2 Q And do you recall what you meant by that statement?

3 A Nikki was a leader on the content experimentation team,
4 so I assume that this means that her team had a project
5 related to clarity.

6 Q You assume, but you don't recall specifically.

7 That's your interpretation now; is that correct?

8 A I believe that-- I do know that there were efforts within
9 content experimentation to improve our entire flow for
10 signups and for retention.

11 Q And with respect to the term "clarity" specifically, what
12 are you familiar with Nikki Baidwan's team and Nikki
13 Baidwan working on?

14 A So clarity, again, to me, is the entire flow, so it's
15 clear to people, when they sign up for Prime, the
16 benefits they're receiving from Prime, and then clear--
17 if they're going to cancel, that they understand the
18 benefits they get from Prime, so clearly understand the
19 benefits of Prime.

20 Q Is that-- I understand you're speaking to that as an
21 aspect of clarity, but is that your understanding of what
22 Ms. Baidwan's team was working on?

23 A I honestly don't remember specifically what project she
24 was working on in 2020.

25 Q You don't remember either way, correct?

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024
162

1 A I don't remember her plans or her like-- like what her
2 team was specifically working on in 2020.

3 Q Okay. Setting this document to the side, do you recall
4 discussing the issue of mistaken signups with Mr. Ghani
5 in 2020?

6 MS. DING: Objection; asked and
7 answered.

8 THE WITNESS: I don't have a specific
9 memory of talking about mistaken signups with Jamil in
10 2020.

11 Q (By Mr. Nardini) Do you have a specific recollection of
12 discussing Ms. Baidwan's or the content testing team's
13 work with respect to clarity with Mr. Ghani?

14 A I don't remember speaking with Jamil about this in 2020.

15 Q And is the same true for Mr. Lindsay?

16 A Yeah.

17 Q And is the same true for Mr. Grandinetti?

18 A Yeah-- yes.

19 Q What interactions would you have had with
20 Mr. Grandinetti?

21 A Very few.

22 He would be in meetings that I would attend.

23 I wouldn't usually speak in any of those meetings.

24 I was there either because I was part of the team or
25 helped contribute to a quarterly business review or

REX MOREY Confidential
FTC vs AMAZON.COM, INC., et al.

July 25, 2024
251

1 C E R T I F I C A T E
STATE OF WASHINGTON)

2) ss.
COUNTY OF KING)

3 I, the undersigned Washington Certified Court
Reporter, pursuant to RCW 5.28.010, authorized to
4 administer oaths and affirmations in and for the State of

5 Washington, do hereby certify: That the foregoing
6 deposition of the witness named herein was taken
7 stenographically before me and reduced to a typed format
8 under my direction;

9 That, according to CR 30(e), the witness was
10 given the opportunity to examine, read, and sign the
11 deposition after same was transcribed, unless indicated in
12 the record that the review was waived;

13 That I am not a relative or employee of any
14 attorney or counsel of participant and that I am not
15 financially or otherwise interested in the action or the
16 outcome herein;

17 That the deposition as transcribed is a full,
18 true and correct transcript of the testimony, including
19 questions and answers and all objections, motions, and
20 examinations, and said transcript was prepared pursuant to
21 the Washington Administrative Code 308-14-135 preparation
22 guidelines.

23 TERILYNN SIMONS, CCR, RPR, RMR, CRR

24 State of Washington CCR #2047

25 My CCR certification expires on 7/7/25

EXHIBIT 105

SANJAY BALAKRISHNAN Confidential
FTC vs AMAZON.COM

September 12, 2024

1

1 IN THE UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF WASHINGTON AT SEATTLE
3 FEDERAL TRADE COMMISSION,
4 Plaintiff, Case No.
5 vs. 2:23-CV-0932
6 AMAZON.COM,
7 Defendant.

8 /

9
10
11 Remote Deposition of
12 SANJAY BALAKRISHNAN
13 Thursday, September 12, 2024
14 11:56 a.m. BST (GMT+1)

15
16
17 *CONFIDENTIAL PAGES*

18 Page 13 Line 23 through Page 305 Line 4
19
20
21

22 Reported Stenographically by:

23 Gail L. Inghram,

24 BA, RDR, CRR, RSA, CA-CSR No. 8635
25

SANJAY BALAKRISHNAN Confidential
FTC vs AMAZON.COM

September 12, 2024

11

- - -
P R O C E E D I N G S
- - -

BY ATTORNEY JERJIAN:

Q. Please state your full name for the record.

A. I am Sanjay Balakrishnan.

Q. Good afternoon, Mr. Balakrishnan. My name is Olivia Jerjian. I'm an attorney with the Federal Trade Commission, and I'm joined here today by my colleague Max Nardini.

You are represented by counsel here today; correct?

A. Correct.

ATTORNEY JERJIAN: Counsel, please state your name.

ATTORNEY CHOU: Vicki Chou and Stephanie Colorado from Hueston Hennigan.

BY ATTORNEY JERJIAN:

Q. Okay. So today's deposition is virtual, so I just want to make sure you can see me and hear me. Correct?

A. We can.

Q. As a procedural matter, I will be showing you some documents today and asking you

1 Member renewal rates was an
2 overall metric that we looked at, which was
3 what percentage of members completed each
4 billing cycle. And that can be expressed in
5 different ways. Renewal rate is the percentage
6 of members who renewed. You'll see churn is
7 used as the inverse of that metric, which is
8 what percentage of members chose to leave.
9 And, again, within that, you have lots of
10 different types of -- subtypes of cancellations
11 and so on.

12 So primarily, engagement was a
13 really important metric. Payment success was a
14 really important metric, and renewal rates,
15 whether you already heard about customer
16 contacts.

17 We looked at refund rates, like,
18 how many refunds we were issuing.

19 Q. Thank you.

20 Any other metrics that you
21 remember that you haven't told me about just
22 now?

23 A. I will share if more come to mind.
24 For that -- this is it for now. Thank you.

25 Q. Okay.

1 I'm just looking still at page 1
2 of Exhibit SJ-02, under Key Takeaways, the first
3 sentence of that first bullet point,
4 "Experimental data shows that millions of NAC
5 and NPA customers will experience unintended
6 Prime sign-ups in 2019 if CX improvements are
7 not launched," and then it goes on.

8 Do you -- strike that.

9 Do you understand what "unintended
10 Prime sign-ups" refer to?

11 ATTORNEY CHOU: Objection; lacks
12 and calls for speculation. He already testified
13 he doesn't recall this email.

14 You can answer.

15 A. Of course I cannot speak for the
16 ways in which the author was presenting it.

17 But I can tell you that -- that
18 across this email, you will see some
19 fundamental mischaracterizations of data.

20 So in the first bullet point,
21 there is an implicit assumption that when you
22 test Customer Experience A and Customer
23 Experience B, and in the second customer
24 experience fewer customers sign up, that that
25 automatically means that any customer who did

1 not sign up was an unintended Prime sign-up.

2 So I think the author has somehow

3 leapt to the conclusion that any customer

4 experience that makes -- that helps more

5 customers sign up is somehow leading to more

6 unintended customers signing up. And I think

7 that's -- that is, I think, a logical fallacy

8 in that first bullet point.

9 And so I think the author has

10 infused the metric of Prime sign-up rate with,

11 you know, there's value judgment of

12 intentionality, which I think is fundamentally

13 incorrect.

14 BY ATTORNEY JERJIAN:

15 Q. I don't think that was responsive

16 to my question. I asked you if you had an

17 understanding of what "unintended Prime sign-ups"

18 was referring to.

19 It sounds like you don't; correct?

20 A. Yeah, I couldn't say for sure

21 exactly what the author intended.

22 Q. And the opinion you just rendered

23 is based on your reading the document, the email,

24 sitting here today; correct?

25 A. Correct. And also sort of my

1 understanding of how to interpret metrics.

2 Q. Stepping aside from this document
3 for a second, do you know what a conversion rate
4 is?

5 A. It -- you have -- it varies by
6 context. So in some contexts it might mean
7 the --

8 Q. My question was broad. Let me
9 rephrase.

10 A. Yeah.

11 Q. Do you know what a "settled member
12 impact rate" refers to in the context of your job
13 as Prime director at Prime?

14 A. Thank you for that clarification.

15 So the conversion rate in that
16 context generally refers to the proportion of
17 people who started a journey and who completed
18 the journey. So, for example, free-trial-to-
19 paid-member conversion would be the percentage
20 of members who started a free trial who ended
21 up transitioning into paid membership.

22 And, again, you'll see it used in
23 different contexts with 60 days of paid
24 membership, 90 days of paid membership,
25 et cetera, because -- you know, you can pick

1 you know, believe that a lot of the figures that
2 we use are overstated.

3 So first, we will look at SJ-7.

4 BY ATTORNEY JERJIAN:

5 Q. Okay.

6 A. Let me know once you have it.

7 SJ-7, page 2, document number it
8 ends in AMZN_00007140. You can see that
9 3.7 percent of this 15 percent comes from
10 customers who immediately cancel Prime after
11 conversion without using any benefits. These
12 are customers who most likely did not mean to
13 be Prime and only realize it once they get
14 their credit card bill.

15 So that gives you a sense of one
16 proxy, which is members who can cancel Prime
17 membership after conversion, around 3.7 percent
18 of members.

19 Then when you come to the first
20 page of SJ-7, second paragraph, the first
21 email, you'll see me say, "The number from
22 below pertinent to the use case, unintended, is
23 the 3.7 percent month one exits. Metrics are
24 also clouded by lots of other things like" --

25 ///

1 (Interruption by the court reporter
2 to clarify the record.)

3 A. Sorry. I will start again. So
4 this is paragraph 2. I'll start from the second
5 line:

6 "Those metrics are also clouded by
7 lots of other things like Twitch soft
8 decline BPS, paid trials, et cetera,
9 which we are working to tease apart."

10 So what this is trying to say is
11 even the [REDACTED] percent itself includes all kinds
12 of other situations like abuse on a gaming
13 platform called Twitch.

14 And then if you go to SJ-9,
15 Table 1, may I draw your attention to the
16 third -- the third row in that table called
17 "Mistaken sign-ups per 1,000 sign-ups." In
18 reality it should say "Mistaken sign-up
19 contacts for 1,000 sign-ups," which is a
20 measure of all sign-ups, what proportion
21 contact us saying they had made a mistake.

22 And the year-to-date number in
23 this document, as of May 2019, is [REDACTED], which
24 is basically saying [REDACTED] members out of [REDACTED]
25 members who started the program contacted us

SANJAY BALAKRISHNAN Confidential
FTC vs AMAZON.COM

September 12, 2024
254

1 saying they had made -- they had a mistaken
2 sign-up. That number in percentage terms is
3 under █ percent. And, again, this includes
4 unknown charge contacts, people saying, "Hey, I
5 see a charge on my card I do not recognize."

6 So the reason I'm calling out
7 these numbers is, for the -- these are
8 relatively small numbers. And once you, again,
9 start taking out customers not remembering that
10 they have a paid date coming up and you start
11 taking into account fraud and abuse of the
12 program, these numbers become really, really
13 small. Like, really small.

14 So generally, the internal data
15 that Prime has, which has all these data
16 points, is not available to most teams.

17 And so most teams do not have
18 access to this information. We tend to -- and
19 even these are not perfect proxies, but these
20 tend to give us better signals than most teams
21 would have about what -- how many people might
22 be having mistaken sign-ups. And our signal
23 suggests that this number is really small, and,
24 hence, my assumption that numbers coming from
25 other teams are likely to be inflated.

SANJAY BALAKRISHNAN Confidential
FTC vs AMAZON.COM

September 12, 2024
255

1 ATTORNEY JERJIAN: Okay. Let's
2 move to another document. Why don't you pull up
3 Envelope 49. I believe we're at SJ-17 but given
4 my track record, please correct me if I'm wrong.

5 (Whereupon, Balakrishnan Exhibit
6 Number 17 was marked for
7 identification and is attached
8 hereto.)

9 BY ATTORNEY CHOU:

10 Q. So this is a chat between you and
11 Nahshon Davidai on May 27, 2020; correct?

12 A. It appears so, yeah.

13 Q. Do you recall this chat
14 conversation?

15 A. I do not.

16 Q. What did you mean by the first
17 message you wrote in this chat?

18 A. I don't have enough context.
19 Would you by any chance happen to have the chat
20 just preceding this? Or this is the only thing
21 we have?

22 Q. This is all I have and all I can
23 show you.

24 A. Sorry.

25 Let me take a minute to see if it

SANJAY BALAKRISHNAN Confidential
FTC vs AMAZON.COM

September 12, 2024
309

CERTIFICATE OF SHORTHAND REPORTER

I, Gail Inghram, Registered

Diplomate Reporter, Certified Realtime Reporter,
Realtime Systems Administrator, CA-Certified
Shorthand Reporter No. 8635, and Notary Public,
the officer before whom the foregoing
proceedings were taken, do hereby certify that
the foregoing transcript is a true and correct
record of the proceedings; that said proceedings
were taken by me stenographically and thereafter
reduced to typewriting under my supervision; and
that I am neither counsel for, related to, nor
employed by any of the parties to this case and
have no interest, financial or otherwise, in its
outcome.

Gail Inghram,
BA, RDR, CRR, RSA, CA-CSR No. 8635

EXHIBIT 106

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025

1

WESTERN DISTRICT OF WASHINGTON

AT SEATTLE

FEDERAL TRADE COMMISSION,

Plaintiff,

vs. No. 2:23-cv-0932-JHC

AMAZON.COM, et al.

Defendants.

/

The Above-Captioned Video-Recorded Deposition of

WILLIAM J. VIOLETTE, Ph.D.

9:00 a.m. - 3:44 p.m.

May 7, 2025

REPORTED BY:

STEVEN POULAKOS, RPR

JOB NO: J12762350

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025

7

Ashley Nevarez Gali, and Phoebe Taylor.

THE VIDEOGRAPHER: The court reporter today is Steven Poulakos. He also represents Esquire Deposition Solutions. Will be the court reporter please swear in the witness.

Whereupon,

WILLIAM J.VIOLETTE, Ph.D,
called as a witness, having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

EXAMINATION BY MR. HUESTON

Q Could you please state your full name for the record?

A My name is William J. Violette.

Q And you understand you're testifying under oath today?

A Yes.

Q Have you taken any medications or any other substances that might affect your ability to give your best testimony today?

A No.

Q Is there any reason at all why you cannot provide complete and truthful testimony today?

A No.

Q Have you had your deposition taken before?

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025

77

1 target population.

2 A I'm aware of differences looking at
3 differences between those groups, yes.

4 Q Okay. So I'm going to ask you some
5 questions using the term coverage error as I just
6 defined it. Okay?

7 A Can you define it one more time, please?

8 Q Sure. I'm defining it as the difference
9 between the potential pool of respondents and the
10 target population.

11 A Okay. I'm not sure I understand exactly
12 what you mean by potential.

13 Q Well, let me give you an example. So in
14 online surveys, you're not able to sample people who
15 are not online, right?

16 A Generally, yes.

17 Q Right. Even though they're part of the
18 target population because if they're not online,
19 they're not going to be in the potential pool of
20 respondents, right?

21 A It depends on what your target population
22 is.

23 Q Okay. Well, let's -- so let's try some
24 questions here. Do you know if the people who designed
25 the search sentiment survey took any precautions to

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025

78

1 prevent coverage error?

2 A I'm still not clear on what you mean by
3 potential population. Do you mean respondents who had
4 the opportunity to take the survey but didn't or do you
5 mean respondents who never had the opportunity to take
6 the survey even though the person designing the survey
7 was interested in their responses?

8 Q Yes. It could be all of those. It's the
9 potential pool of respondents who did not, in fact,
10 participate.

11 A And by potential, you mean respondents a
12 researcher was hoping to learn about or all Amazon
13 customers that there are?

14 Q It would be part of the target population.
15 So, again, using that same example with an online
16 survey, there could be folks that are requested to
17 respond, but if they're not online, they can't respond?

18 A Yes. If the researcher is only interested
19 in people online, that's not a problem.

20 Q Okay. In this instance with either search
21 survey or the cancellation survey, do you know whether
22 the researchers were only interested in people online?

23 A No.

24 Q Okay. Are you familiar with the concept of
25 nonresponse error?

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025

79

1 A Yes.

2 Q What is that?

3 A When a researcher is interested in learning
4 about a population and they issue a survey to a subset
5 of that population and not all people in that subset
6 respond to the survey.

7 Q Okay.

8 A And the error aspect comes from that
9 causing some sort of bias in what the researcher was
10 hoping to learn about that subpopulation for that
11 sample.

12 Q And do you know whether there was any
13 nonresponse error in the search sentiment survey?

14 A No.

15 Q Do you know whether there was any
16 nonresponse error in the cancellation survey?

17 A No.

18 Q Did you conduct any analysis to determine
19 whether the results of either survey was biased by
20 nonresponse error?

21 A No.

22 Q Do you know if customers who took part in
23 either survey were aware that Amazon was the surveyor?

24 A I know that respondents were likely to
25 assume Amazon was the surveyor because the pop up

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025
80

1 appeared after they canceled Amazon.

2 Q That's cancellation?

3 A Yes.

4 Q What about the search survey?

5 A I don't know.

6 Q Do you know if an invitation to complete
7 the search sentiment survey came from an Amazon.com
8 email address?

9 A I don't know.

10 Q Do you know if an invitation to complete
11 the cancellation survey came from an Amazon.com email
12 address?

13 A I don't know.

14 Q Do you know if an invitation to complete
15 the search sentiment survey was displayed on the Amazon
16 website?

17 A I don't know.

18 Q Do you know if an invitation to complete
19 the cancellation survey was displayed on the Amazon
20 website?

21 A Yes.

22 Q And how do you know that?

23 A My understanding is that the pop up
24 appeared after people finished canceling which would be
25 an invitation to take the survey.

WILLIAM J. VIOLETTE, PH.D.
FTC vs AMAZON.COM

May 07, 2025
227

CERTIFICATE OF SHORTHAND REPORTER - NOTARY PUBLIC

I, Steven Poulakos, registered
Professional Reporter, the officer before whom the
foregoing proceedings were taken, do hereby certify
that the foregoing transcript is a true and correct
record of the proceedings; that said proceedings were
taken by me stenographically and thereafter reduced to
typewriting under my supervision; and that I am neither
counsel for, related to, nor employed by any of the
parties to this case and have no interest, financial or
otherwise, in its outcome.

IN WITNESS WHEREOF, I have hereunto set my
hand and affixed my notarial seal this 7th day of May
2025.

My commission expires:
August 14, 2029

NOTARY PUBLIC IN AND FOR
THE DISTRICT OF COLUMBIA

EXHIBIT 107

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)
4 AMAZON.COM, INC.) No. 2123050
5)
6)

7

8 Investigational Hearing

9 CHRISTOPHER R. BROWN

10

11 Federal Trade Commission
12 Henry M. Jackson Federal Building
13 915 Second Avenue, Suite 2896
14 Seattle, Washington
15
16
17
18
19
20
21
22

23 DATE: November 2, 2022

24 REPORTED BY: Wade J. Johnson, RPR
25 CCR No.: 2574

Brown

Amazon.com, Inc.

11/2/2022

1 SEATTLE, WASHINGTON; WEDNESDAY, NOVEMBER 2, 2022

2 8:36 A.M.

3 --oOo--

4

5 CHRISTOPHER R. BROWN, deponent herein, having been
6 first duly sworn on oath, was
7 examined and testified as
8 follows:

9

10 E X A M I N A T I O N

11 BY MS. JERJIAN:

12 Q. Good morning, Mr. Brown.

13 A. Good morning. How are you?

14 Q. Good, thanks. How about you?

15 A. Good.

16 Q. My name is Olivia Jerjian. I'm an attorney
17 with the Federal Trade Commission, and I'm also the
18 hearing officer for today's investigational hearing.

19 I'm joined today by my co-counsel, Jonathan
20 Cohen, also with the Federal Trade Commission.

21 And I'll allow your counsel to introduce
22 themselves at this point.

23 MR. GRAUBERT: John Graubert, for the
24 witness.

25 MS. LEDAIN: Lelia Ledain, for the

Brown

Amazon.com, Inc.

11/2/2022

1 A. Because they launched it in the U.S.

2 Q. Okay. Based on your understanding, why would
3 customers want to pause instead of cancel?

4 A. Can you say that again?

5 Q. Sure. What is the benefit to the customer to
6 pause their membership instead of canceling their
7 membership?

8 A. It potentially can be easier for them to
9 restart their membership if they're in a pause rather
10 than canceling, would be a reason.

11 Q. Any other reasons?

12 A. I would have to speculate.

13 Q. Well, go ahead and speculate.

14 MR. GRAUBERT: No. No. No. You can't
15 ask any witness to speculate. He's not going to answer
16 any questions like that. Please move on to your next
17 question.

18 MS. JERJIAN: Mr. Graubert, I think the
19 only instruction you can give not to answer is based on
20 privilege. Are you instructing your witness not to
21 respond based on a privilege objection?

22 MR. GRAUBERT: I'm not instructing the
23 witness anything. I'm telling you that that's an
24 improper question.

25 Q. (By Ms. Jerjian) Go ahead and respond.

Brown

Amazon.com, Inc.

11/2/2022

1 A. To why a customer might choose to pause?

2 Q. To any other reasons besides that it can be
3 easier to restart a membership.

4 A. I'm currently unfamiliar with the -- what is
5 available to you as a Prime member when you pause. I
6 think you are available to, I think, access those
7 credits that I mentioned earlier while you are in a
8 pause state. So I think there's some reason -- some
9 things that you can use as a Prime member or as a
10 paused Prime member that you wouldn't if you canceled.

11 Q. Okay. And does a customer pay a subscription
12 fee while they're in a paused state?

13 A. No.

14 Q. So what benefits does a customer no longer
15 have access to under in a paused state?

16 A. I think it's the majority primary benefits
17 that you would get.

18 Q. And when you said that it might be easier for
19 a customer to restart a membership if they're in a
20 paused state rather than canceling and then rejoining,
21 is it hard to sign up for Amazon Prime?

22 A. It's not hard. It should be easier than going
23 through the cancelation experience, or, if you are a
24 cancelled member, to rejoin.

25 Q. How is it easier?

Brown

Amazon.com, Inc.

11/2/2022

1 A. Depending on why you cancelled or how you got
2 cancelled, if you had a payment method, you may have to
3 fix that up. When you join Prime, you have to verify
4 your shipping address, your billing address, your
5 payment method. You have to go through all of that
6 again. If you're paused, you don't. You're just
7 turning the -- you're, basically, turning a switch that
8 says your membership is now back on.

9 Q. Mm-hmm.

10 A. And you would have to find the acquisition
11 state. The reacquisition of Prime members isn't as
12 messaged as much. So it's just easier for you to find
13 and rejoin from that paused state.

14 Q. Is it necessary -- strike that.

15 Is a pause option necessary to allow a
16 customer to complete a cancelation?

17 A. No.

18 Q. So did you report to Simone Lahood while
19 working on Project Iceman?

20 A. No.

21 Q. Who did you report to?

22 A. David Edelstein.

23 Q. So how did you work with Simone Lahood?

24 A. She was the product owner. I'm a peer in the
25 project.

321

Brown

Amazon.com, Inc.

11/2/2022

1 A F F I D A V I T

2

3

4

5 I, CHRISTOPHER R. BROWN, hereby declare under
6 penalty of perjury that I have read the foregoing
7 Investigational Hearing and that the testimony
8 contained herein is a true and correct transcript of my
9 testimony, noting the corrections attached.

10

11

12

13

14

Signature:

15

16

17

18

19

20 Date:

21

22

23

24

25

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Brown

Amazon.com, Inc.

11/2/2022

1 C E R T I F I C A T E

2 STATE OF WASHINGTON)
3) ss
4 COUNTY OF KING)

5 I, the undersigned Washington Certified Court
6 Reporter, pursuant to RCW 5.28.010, authorized to
7 administer oaths and affirmations in and for the State
8 of Washington, do hereby certify: That the foregoing
9 Investigational Hearing of the witness named herein was
10 taken stenographically before me and reduced to a typed
11 format under my direction;

12 That I am not a relative or employee of any
13 attorney or counsel or participant and that I am not
14 financially or otherwise interested in the action or
15 the outcome herein;

16 That the Investigational Hearing, as
17 transcribed, is a full, true and correct transcript of
18 the testimony, including questions and answers and all
19 objections, motions and examinations and said
20 transcript was prepared pursuant to the Washington
21 Administrative Code 308-14-135 preparation guidelines.

22 s/Wade J. Johnson
23 Wade J. Johnson, Certified Court
24 Reporter 2574 for the State of
25 Washington residing at Seattle,
Washington.
My CCR certification expires on
09/18/23.

EXHIBIT 108

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.) No. 2123050

5

6

7 Investigational Hearing

8 CEM SIBAY

9

10

11 Federal Trade Commission
Henry M. Jackson Federal Building
12 915 Second Avenue, Suite 2896
Seattle, Washington

13

14

15

16

17

18

19

20

21

22

23 DATE: November 29, 2022

24 REPORTED BY: Wade J. Johnson, RPR
CCR No.: 2574

25

Sibay

Amazon.com, Inc.

11/29/2022

1 MS. JERJIAN: Could you please swear
2 the --

3 THE REPORTER: Would you like the witness
4 sworn at this time?

5 MS. JERJIAN: Yes, please.

6
7 CEM SIBAY, deponent herein, having been
8 first duly sworn on oath, was
9 examined and testified as
10 follows:

11
12 E X A M I N A T I O N

13 BY MS. JERJIAN:

14 Q. Mr. Sibay, you're here today in compliance
15 with a Civil Investigative Demand that you received,
16 correct?

17 A. That's correct.

18 (Exhibit 1 marked for
19 identification.)

20 Q. I'm showing you what's been marked as
21 Exhibit 1.

22 MS. RODGERS: Thank you.

23 Q. Is this a copy of the CID you received?

24 A. I believe so. It seems similar to it.

25 Q. Do you have any reason to doubt that it's not

Sibay

Amazon.com, Inc.

11/29/2022

1 A. You just asked me if it was possible. And I'm
2 also reading this document here, where we talk about
3 customer service exceptions, where, in those cases,
4 when customers have expressed that to us, we have
5 refunded them, for multiple months, versus just their
6 last billing cycle.

7 Q. Okay. Can you set the document aside.

8 A. Sorry.

9 Q. I'm not asking you to look at this specific
10 document. So I just want to make sure -- is your
11 answer based on this document specifically when I asked
12 you, how do you know this?

13 MS. RODGERS: Objection to form.

14 A. Sorry. Yes, I was reading the notes, and you
15 were asking me to describe it, and that's my
16 understanding of the notes as I was reading them.

17 Q. I was asking you, how do you know that
18 customers can sign up for Prime and not realize it for
19 multiple billing cycles?

20 MS. RODGERS: Objection to form.

21 You had asked him if it was possible, not
22 if it happened.

23 MS. JERJIAN: Yeah. And he said it is
24 possible, and I'm asking how he knows that. Can he
25 please answer my question.

Sibay

Amazon.com, Inc.

11/29/2022

1 MS. RODGERS: Objection to form.

2 A. Oh, I don't recall this specific anecdote.

3 It seems like that's what's being captured
4 here, that customers have contacted us and said that
5 they had unintentionally signed up and had been billed
6 multiple times.

7 Q. Okay. Aside from this document, from this
8 email, is there any other basis for -- based on what
9 you know -- that it's possible for customers to
10 inadvertently sign up for Prime and not realize it for
11 multiple billing cycles?

12 MS. RODGERS: Objection to form.

13 A. I can only tell you what we've heard from a
14 customer anecdote perspective. We can't really go into
15 their minds and truly understand if it was
16 unintentional or not. But we have typically leaned
17 into solving the problem for the customer if they have
18 expressed that they were worried that this was the
19 case.

20 Q. So you're referring to the customer service
21 contacts calls?

22 A. Yes. We had a very generous refund policy, as
23 this note reminds me.

24 Q. I'm not asking about the refund policy. I'm
25 asking how you know people signed up without realizing

Sibay

Amazon.com, Inc.

11/29/2022

1 they signed up. So set the document aside. I'm not
2 asking you a question about the document anymore.

3 A. Yeah. It's, again, going back to, I guess the
4 earlier response, which is, we primarily -- or I
5 primarily recall that -- from customer anecdotes
6 expressing that they had unintentionally signed up for
7 a number of different reasons and based on surveys.

8 Q. Are there any documents that would refresh
9 your recollection as to the reasons for which customers
10 would inadvertently sign up for Prime?

11 A. I don't know. That's a very broad question.
12 That's hard for me to know if something would refresh
13 my memory until I read it and whether it actually
14 refreshed it or whether it was something that was
15 familiar to me upon reading it.

16 Q. Sitting here today, do you know of any
17 documents that would refresh your recollection?

18 A. Not that I could refer to.

19 Q. How about generally even?

20 MS. RODGERS: Objection to form. Asked
21 and answered.

22 A. I read probably between, on average, five to
23 ten documents a day at Amazon. All of our meetings
24 have documents. The more senior you get, the more your
25 role becomes to read and give feedback to documents

Sibay

Amazon.com, Inc.

11/29/2022

1 cancel Prime benefits because they likely did not mean
2 to be in Prime?

3 MS. RODGERS: Objection to form.

4 A. I believe it actually says 3.7 of the
5 15 percent.

6 Q. Yes.

7 A. So it's a much smaller percentage of total
8 signups, is the way that I read that. And, yes, any
9 customer that believes they have unintentionally signed
10 up for Prime would have a frustrating -- or could have
11 a frustrating -- experience if they were surprised by
12 it.

13 Q. Would you think that number is alarming or
14 not --

15 MS. RODGERS: Objection.

16 Q. -- or concerning, is the word I originally
17 used?

18 MS. RODGERS: Objection to form.

19 A. I think even one customer who has told us that
20 they are frustrated because they unintentionally signed
21 up would be concerning.

22 Q. What steps did Prime take to address this
23 concern --

24 MS. RODGERS: Objection.

25 Q. -- during your tenure on Prime?

Sibay

Amazon.com, Inc.

11/29/2022

1 MS. RODGERS: Objection.

2 A. So there were a number of different ways that
3 we tried to address this sort of pain point that
4 customers have expressed to us. One was making sure
5 that our CS policies, in this case, were very generous,
6 quick, and resolving in favor of the customer.

7 And we also regularly checked all the
8 notifications, including emails that we sent customers,
9 to make sure that they were clear and understood and
10 being, ideally, also read by customers, by looking at
11 open rates. And then through, also, review of our
12 acquisition locations.

13 But, unfortunately, as I said, customers have
14 expressed many, many different reasons as to why they
15 believed they had unintentionally signed up. Some of
16 those are more easily addressed than others because
17 they involve distractions or unexpected signups from
18 members of their household or other visitors and such,
19 as well.

20 Q. When were the CS policies changed to be more
21 generous about refunds?

22 MS. RODGERS: Object to the form.

23 A. As far as I know, they were always very
24 generous. I don't recall any meeting where we said,
25 let's make it more generous or less generous. I think

Sibay

Amazon.com, Inc.

11/29/2022

1 it's just part of Amazon's DNA and philosophy.

2 Q. How about a notification to the customers,
3 when did you -- strike that.

4 When did Prime implement the notification to
5 customers?

6 MS. RODGERS: Objection to form.

7 A. I don't know when. It was certainly in
8 existence when I took on my role.

9 Q. And what was the review of acquisition
10 locations? What does that mean?

11 A. Those would be meetings with our Content
12 Testing team.

13 Q. Did you attend those?

14 A. I don't know if I attended every single one of
15 them, but I did attend at least some of those meetings.

16 Q. Who were the other attendees of those
17 meetings?

18 MS. RODGERS: Objection to form.

19 A. I don't recall the list of actual people that
20 attended.

21 Q. Did you ask questions?

22 MS. RODGERS: Objection to form.

23 A. I don't recall whether I did or not. I would
24 expect so, but, again, I'm speculating.

25 Q. Were you more of an active participant in

Sibay

Amazon.com, Inc.

11/29/2022

1 these meetings, or was it purely informational, in
2 terms of the team would present to you?

3 MS. RODGERS: Objection to form.

4 A. I mean, active -- so, when you say a team
5 presenting, we don't have sort of PowerPoint style
6 presentations or people sort of walking us through
7 presentations or documents. There will be a discussion
8 section post everyone affirming that they have read the
9 document.

10 And there will be some meetings where I'm more
11 active than others. And that will depend on whether I
12 feel that the material is well covered by other members
13 of my team or because it's a topic that is of interest
14 or because I feel like I can add more direct value by
15 participating more than I otherwise would.

16 Q. Did Mr. Davidai attend those meetings?

17 MS. RODGERS: Objection. Foundation and
18 form.

19 A. So I believe at some point, the Content
20 Testing team reported to Nahshon. So I would have
21 expected him, but I don't recall specific meetings or
22 whether he was in them or not.

23 Q. Did you hire Nahshon Davidai to join Prime?

24 A. I did indeed.

25 Q. When did you do that?

Sibay

Amazon.com, Inc.

11/29/2022

1 balance declined by any customer that said they
2 unintentionally signed up, I would have been
3 100 percent okay with that.

4 Q. So, in other words, the number of Prime
5 memberships that were being lost to the implementation
6 of making the Prime signup process clearer, the Prime
7 membership loss wouldn't have mattered to you?

8 MS. RODGERS: Objection to form.

9 A. The way I would phrase that is -- and I was
10 going ahead a little bit further, sorry, in looking at
11 the last bullet here is, what this actually data
12 suggests to me is that we were not only losing or maybe
13 not even losing unintended signups at all, that we were
14 losing also members that were otherwise intentionally
15 signing up. And so that would be something that's
16 concerning.

17 There's the point here about the data that
18 doesn't fit the hypothesis, which talks about a settled
19 conversion rate. If, indeed, clarity had had the
20 impact of reducing or removing anyone that was
21 unintentionally signing up, we should have seen a
22 higher conversion rate from free trial to paid Prime
23 membership.

24 But the first sentence here says that it has
25 not changed as a result of Project Lucent's clarity

Sibay

Amazon.com, Inc.

11/29/2022

1 experiments, which is an outcome I now recall, having
2 read this document.

3 Q. What else do you recall, having read this
4 document, about Project Lucent?

5 A. That is what just came to mind, was that a lot
6 of the testing that certain individuals may have
7 thought increased clarity was actually also impacting,
8 at a bare minimum, customers that intentionally were
9 trying to sign up for the Prime program.

10 Q. How do you know that customers that were
11 intentionally trying to sign up were being deterred
12 from signing up for Prime?

13 MS. RODGERS: Objection to form.

14 A. This conversion rate reference -- and that's
15 why the bullet is titled, "The data that does not fit
16 the hypothesis," which I'm assuming is referring to
17 their own hypothesis here.

18 If we were able to reduce or remove all
19 customers that otherwise would have unintentionally
20 signed up, the remaining customers would have been
21 customers that had a clear intent to sign up. And,
22 thus, by removing what I would consider a customer base
23 that would be less likely to convert and be settled
24 over time because they had unintentionally signed up,
25 we should have a higher conversion rate left, just by

Sibay

Amazon.com, Inc.

11/29/2022

1 the selection of customers that were still remaining as
2 Prime members.

3 And so what I'm reading from this document is
4 that there was data that suggested we may not have
5 actually improved clarity and reduced unintentional
6 signups, we may actually be actually impacting
7 otherwise intentful customers from signing up to Prime,
8 as well.

9 Q. Did you discuss this with anyone at Prime?

10 MS. RODGERS: Objection to form.

11 A. This concept is coming back to me as I'm
12 reading this document. So I would imagine that there
13 was discussion about it, but I don't recall the
14 specific meeting.

15 Q. Did you discuss this with Neil Lindsay?

16 A. I don't -- I don't recall if I specifically
17 discussed it with him or not.

18 Q. Do you remember -- what more do you remember,
19 beyond this document, about this concept?

20 MS. RODGERS: Objection to form.

21 A. Well, I'm remembering again how difficult a
22 challenge it is to reduce unintended signups.

23 Q. Who presented the finding to you?

24 MS. RODGERS: Objection to form.

25 A. I don't recall the specific meeting. It could

Sibay

Amazon.com, Inc.

11/29/2022

1 have been one of these meetings. It could have been
2 the meeting with my Content Testing team.

3 Q. But you recall a meeting where this was
4 discussed, correct?

5 A. I recall this concept. And so as I read this
6 bullet here, it reminded me how difficult a challenge
7 it is, just based on the myriad list of reasons that
8 customers say they unintentionally signed up.

9 Q. Right. You remembered this concept just now.
10 I'm trying to assess how much you remember of it. How
11 did you become aware of this concept? Do you remember
12 that?

13 MS. RODGERS: Objection to form.

14 A. I don't.

15 Q. So you don't remember anything about the
16 concept beyond just what's in the email, correct?

17 A. I could read more of either of these
18 documents, and more may come to me, but --

19 Q. But nothing beyond the document is coming back
20 to you, correct?

21 A. Yeah. The document is what's sparking -- the
22 sections I'm reading is sort of what's -- having me
23 recollect some of this.

24 Q. Do you remember the circumstances in which you
25 either discussed or learned about this concept?

Sibay

Amazon.com, Inc.

11/29/2022

1 Q. Would you have expressed this view at this
2 meeting?

3 MS. RODGERS: Objection to form.

4 A. I don't know because I don't recall this
5 meeting, but I'm just telling you how I'm thinking
6 about it today when I read this.

7 Q. Did you think similarly when you were at Prime
8 back in 2019?

9 A. I felt -- I do recall -- I felt rather
10 strongly that unintentional signups was not a desired
11 outcome, and it was not something that, if we could
12 make it go away, we wouldn't make it go away. What we
13 were most interested in was signing up customers that
14 were engaging with their benefits and with as many
15 benefits as they thought were interesting to them. So
16 that point of view, for me, I don't think has changed
17 over the years.

18 Q. When you say, if we could make it go away, if
19 we could make unintended signups go away, we would
20 have, is it that you couldn't get rid of unintended
21 signups?

22 MS. RODGERS: Objection to form.

23 A. Unfortunately, I just don't think there was
24 any magic wand that could make every customer read
25 everything that was presented to them in our

Sibay

Amazon.com, Inc.

11/29/2022

1 acquisition flows, as clear as it was. I think people
2 are just human. And as I said, there were lots of
3 different reasons why customers reported unintended
4 signups. Some of it was because of acquisition
5 locations, but there was many other reasons, as well.

6 And so we focus on trying to make it as clear
7 as possible, as far as what the benefits were, how the
8 program worked. We had a very generous rebate policy,
9 refund policy, if customers felt afterwards that they
10 hadn't quite understood the terms and conditions. And
11 we continue to work to make sure that our signup
12 locations were clear, as far as what the terms and
13 conditions were.

14 MS. RODGERS: I think we've been going
15 for a little over an hour, Olivia. Whenever you're
16 ready for a break.

17 MS. JERJIAN: I just have a few more
18 questions.

19 Q. Do you think that the signup flow, as it was
20 at the time, was as clear as it could have possibly
21 been?

22 MS. RODGERS: Object to the form.

23 A. I do think our checkout process was clear and
24 had all the information for customers laid out in front
25 of them.

Sibay

Amazon.com, Inc.

11/29/2022

1 Q. Could it have been clearer?

2 MS. RODGERS: Object to the form.

3 A. Well, that was something that we regularly
4 tested. It was very hard to know ahead of time whether
5 something would actually increase clarity or
6 potentially decrease clarity. There were many, many
7 occasions where my intuition, as far as what a small
8 change, the impact that it would have, was completely
9 wrong or off base. It's one of the reasons why we just
10 vigorously tested everything that we would put in front
11 of customers before settling in on one option or
12 another.

13 Q. So you actually don't think there was a
14 trade-off between selling Prime and adding clarity.
15 You disagree with the statement, correct?

16 A. I think that we strove to make sure that our
17 marketing messages were very clear to customers and
18 they understood the terms and conditions.

19 Q. So you don't believe there was a trade-off,
20 correct?

21 MS. RODGERS: Object to the form.

22 A. Again, I think we could do both. I don't
23 think it's -- I don't think, by being unclear, we could
24 effectively sell more Prime memberships, if customers
25 didn't understand what they were signing up for.

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 109

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.) No. 2123050

5

6 Investigational Hearing
7 GREG GREELEY

7

8

9 Federal Trade Commission

10 Henry M. Jackson Federal Building

11 915 Second Avenue, Suite 2896

12 Seattle, Washington

13

14

15

16

17

18

19

20

21

22

23 DATE: November 9, 2022

24 REPORTED BY: Wade J. Johnson, RPR
25 CCR No.: 2574

Greeley

Amazon.com

11/9/2022

1

2 SEATTLE, WASHINGTON; WEDNESDAY, NOVEMBER 9, 2022

3 8:27 A.M.

4 --oOo--

5

6 (Witness sworn.)

7

8 MR. NARDINI: Good morning, Mr. Greeley.

9 My name is Max Nardini with the FTC. I'm joined today
10 with my co-counsel Olivia Jerjian.

11 I think there are additional FTC members
12 on the phones. Could you please announce yourselves,
13 FTC members on the dial in.

14 MR. FRECH: Jake Frech.

15 MR. NARDINI: Anyone else from the FTC?

16 Okay.

17 And I see you're here joined by counsel
18 today.

19 THE WITNESS: Correct.

20 MR. NARDINI: If you could introduce
21 yourselves for the record, please.

22 MS. FLAHIVE WU: Good morning. Laura
23 Flahive Wu, of Covington & Burling, here for the
24 witness.

25 MR. CAPUANO: Hi. Mark Capuano, of

Greeley

Amazon.com

11/9/2022

1 (The previous question was
2 read back.)

3 A. The team had a charter for continuous
4 improvement. So they would have been doing dry user
5 tests, as we introduced new benefits, making sure that
6 those flows -- or new pipelines -- that those flows
7 were working properly, that the engineering behind that
8 was scaling as the program grew. Those would be the
9 kind of improvements they would do.

10 Q. Did you set those charters for improvements?

11 A. The charters for improvement would evolve. It
12 was significant experimentation. Yes, I set the
13 charter that every group needed to continue to improve
14 the customer experience across every team I managed at
15 Amazon.

16 Q. What specifics do you recall about the charter
17 for improvements for the cancelation team?

18 MS. FLAHIVE WU: Objection to form and
19 scope.

20 A. During my -- during March of 2018, I don't
21 recall anything specific. At times before March of
22 2018, I likely engaged them on making sure -- ensuring
23 that the cancelation flow was simple but also that
24 people understood the benefits that they were not
25 getting, that they were not getting.

Greeley

Amazon.com

11/9/2022

1 Q. Okay. So why was it important to you that the
2 cancelation process be simple?

3 MS. FLAHIVE WU: Objection to form and
4 scope.

5 A. During my time in Prime in March of 2018, that
6 discussion didn't come up, to the best of my knowledge.
7 But during my period, my tenure from 2013 to 2018, it
8 was a design standard across all of our systems and
9 tools that we make our -- the interfaces as simple as
10 possible and informative as possible.

11 Q. Does simple there mean as few clicks as
12 possible?

13 A. No.

14 MS. FLAHIVE WU: Objection to form.

15 Q. What does simple mean there?

16 MS. FLAHIVE WU: Objection to form.

17 A. During my time in 2018, I would have engaged
18 in that topic, but simple would mean a customer
19 experience that people understood, that was smooth, and
20 worked as expected.

21 Q. How did you communicate the importance of a
22 simple design process to the design team responsible
23 for the cancelation flow you were overseeing?

24 MS. FLAHIVE WU: Objection. Scope.

25 A. During my time in 2018, I did not, I did not

Greeley

Amazon.com

11/9/2022

1 have those conversations. Between 2013 and 2017, I
2 frequently asked them to benchmark and make sure,
3 relative to other companies, we were, what I would call
4 best in class, from a trusted customer experience.

5 Q. Did that best-in-class assessment include a
6 comparison of the number of clicks to cancel for Prime
7 versus subscription services of other companies?

8 MS. FLAHIVE WU: Objection to form and
9 scope.

10 A. No, not to my recollection.

11 Q. Why not?

12 A. I don't think clicks is an indicator of
13 simplicity and a great customer experience. What I did
14 do is, I said frequently, don't be Comcast, don't be
15 like your mobile phone operator. We needed to create a
16 really rich, trusted experience.

17 Q. Was a goal of the cancelation flow to reduce
18 the number of cancelations?

19 MS. FLAHIVE WU: Objection to form and
20 scope.

21 A. No.

22 Q. So it was not a goal to reduce the number of
23 cancelations?

24 A. Correct. The goal would have been to make
25 sure people had an informed and smooth cancelation

Greeley

Amazon.com

11/9/2022

1 experience.

2 Q. Wasn't a way in which though that you would
3 track whether people were having an informed experience
4 by tracking how many people completed the cancelation
5 flow versus being diverted to one of the other options
6 it presented?

7 MS. FLAHIVE WU: Objection to form and
8 scope.

9 A. The objective of the cancelation team was to
10 it -- excuse me, the customer cancelation user team --
11 was to make sure that the experience worked, that it
12 was rich, informed, and helped measure what
13 customers -- that customer flow.

14 Q. Right. So was a metric that they used the
15 number of people who canceled upon completing the flow
16 versus not?

17 MS. FLAHIVE WU: Objection to form and
18 scope.

19 A. We definitely measured the number of
20 cancelations, and we measured the -- we looked to try
21 to understand why. One of the objectives, to
22 understand why there were cancelations. And then to
23 help make sure people understood the mechanics of the
24 cancelation.

25 Q. How would you look to understand why people

Greeley

Amazon.com

11/9/2022

1 A. For my team, between 2013 and 2017, we would
2 tackle it in different ways. Because the data would
3 sit in our experimental design, sometimes we'd be
4 sitting in, and I would just say can you just log up
5 and pull the data, and we'll inspect it together. That
6 was a fairly typical way.

7 If we were -- if somebody was bragging about
8 an improvement that they made where they saw better
9 Prime engagement or better Prime signups, we would
10 always ask, well, let's make sure we get through at
11 least the next five weeks so we can get these other
12 data points and the full 13 months so we can see how
13 many people canceled and what the reason they gave for
14 why they canceled.

15 So, given the long-term nature of those
16 particular measurements and the fact that it was
17 generally such a very small number compared to how many
18 people were actually signing up and engaging very
19 actively, we did it -- we didn't have a, quote,
20 periodic review of that. It was an on going review.
21 It wasn't a, quote, meeting, to review it. It was an
22 ongoing, just part of our design process.

23 Q. Got it. And so was all this data collected in
24 one database, or were there different databases where
25 you would get different data?

Greeley

Amazon.com

11/9/2022

1 MS. FLAHIVE WU: Objection to form and
2 scope.

3 A. Between 2013 and 2017 and while I was managing
4 Prime, I don't think I know where the data was stored.
5 It would have been somebody junior to me that would
6 have -- I just don't know.

7 Q. What was the percentage of unintended signups,
8 to the best of your understanding, during your tenure
9 as VP of Prime?

10 MS. FLAHIVE WU: Objection to form and
11 scope.

12 A. Between 2013 and 2017, the unintended signups
13 is -- it was not specifically defined, to the best of
14 my knowledge. All of those parameters I mentioned were
15 indicators, but we didn't know if they were intended or
16 not. So I don't think we ever created a true metric,
17 as you're describing it. But it was -- and I don't
18 remember -- for that very reason. I just know it was a
19 very small decimal percentage of our membership base.

20 Q. But how do you know that it was a very small
21 percentage if the data was never fully tabulated?

22 MS. FLAHIVE WU: Objection to form,
23 scope, and asked and answered.

24 A. Yeah, I think it's two thousand -- I do think
25 I already provided that. There was -- each one of

Greeley

Amazon.com

11/9/2022

1 those was a very, very small number. Even if you added
2 them all up, it was still a small number. But some of
3 those are -- themselves relied on anecdotal data.

4 And I do recall us trying to benchmark
5 ourselves against other subscription programs -- that
6 was another indicator -- and finding that we were much
7 better than other subscription programs that we were
8 aware of, using credit card information as an example.

9 Q. So you mentioned that not using Prime benefits
10 could be an indicator of an unintentional signup,
11 correct?

12 MS. FLAHIVE WU: Objection to form,
13 scope, and misstates testimony.

14 A. Yeah, I mentioned that was something we looked
15 at, just to see if any experiment had created a
16 difference, a shift. And a shift in the amount of
17 Prime usage could be an indicator, but we also had a
18 situation where new customers were in a very different
19 demographic. So you had to be even careful to try to
20 normalize for the data we saw in 2013 versus the data
21 we saw in 2016. So I just -- I wish it was that clean,
22 but it's very much a kind of softer -- and you're
23 constantly trying to improve. So you're just looking
24 for any signal you can about how to make it better, and
25 that would be one of them.

Greeley

Amazon.com

11/9/2022

1 Q. So do you recall, from your tenure at Prime,
2 what percentage of Prime members were recorded as not
3 having used their benefits?

4 MS. FLAHIVE WU: Objection to form and
5 scope.

6 A. I don't.

7 Q. Do you know if it was greater than 10 percent?

8 MS. FLAHIVE WU: Objection to form and
9 scope.

10 A. To the best of my knowledge, it would have
11 been less than 10 percent, but I shouldn't speculate.
12 I don't know.

13 Q. Was it less than 5 percent?

14 MS. FLAHIVE WU: Objection to form and
15 scope. Asked and answered, Counsel.

16 A. Yeah, I think I really -- I'm sorry, it was
17 more than five years ago, I just don't recall.

18 Q. Okay. Yeah, if the answer is don't recall --
19 And as you sit here now -- understanding that
20 you don't recall -- as you sit here now, do you have
21 any sort of perspective on what you think that number
22 would be?

23 MS. FLAHIVE WU: Objection to form and
24 scope. Asked and answered.

25 A. Yeah, I really don't recall. Yeah, there was

Greeley

Amazon.com

11/9/2022

1 Q. And it sounds like -- so then the improvement
2 related, was it changing the wording on the fast, free
3 shipping to something else?

4 MS. FLAHIVE WU: Objection to form and
5 scope.

6 A. Between 2013 and 2017, with that design --
7 again, we have hundreds of different experiments trying
8 to get to the perfect experience. And so sometimes you
9 change language in the yellow signup for Prime button,
10 sometimes you change language in -- fortunately, we got
11 to do this over ten different countries.

12 In the, no thank, I don't want to join a Prime
13 membership, sometimes it would be, you really are
14 getting free two-day shipping by joining Prime. It was
15 very much around the language, the color, the imagery
16 that would be exposed for what we would iterate on to
17 try to do that, with the intention of how do you keep
18 decreasing immediate cancelations and chargebacks.

19 Q. And do you recall specific examples of those
20 different versions that you implemented?

21 MS. FLAHIVE WU: Objection to form and
22 scope.

23 A. Between 2013 to 2017, there were -- again,
24 there were, not just dozens, there were hundreds of
25 experiments running live to try to drive to that

Greeley

Amazon.com

11/9/2022

1 improvement. So I definitely remember instances of
2 changing the wording on the website, the wording on
3 buttons, repositioning the buttons, repositioning where
4 the disclosures were, making sure that the confirmation
5 page -- one of the things was, if somebody has
6 accidentally signed up without reading it, making sure
7 the confirmation page is really clear after you just
8 signed up for Prime. Making sure the email that we
9 sent immediately was clear about, hey, you just signed
10 up for Prime.

11 So we would try to -- again, it was such a
12 long tail of the small percentage of people where this
13 would come up. We knew we weren't going to be able to
14 design a perfect, crash-free car, but we then wanted to
15 say, well, what safety mechanisms do we have for when
16 that does happen.

17 Q. Do you recall any specific examples of
18 improvements to the enrollment flow you were just
19 referring to that you essentially dialed up to
20 100 percent of Prime users?

21 MS. FLAHIVE WU: Objection to form and
22 scope.

23 A. In my time, it would be rare that we dialed up
24 anything to 100 percent without a very long-term study.

25 Q. What about 95 percent?

Greeley

Amazon.com

11/9/2022

1 MS. FLAHIVE WU: Objection to form.

2 A. 95 percent still sounds very high. I mean --

3 Q. Is the reason it's high is because you're
4 always iterating different versions, so there's always
5 some percentage different for each user?

6 MS. FLAHIVE WU: Objection to form.

7 A. Yes. Between 2013 and 2017, that's right.

8 Q. Yeah.

9 A. The context of we're seeking the perfect flow
10 that informs customers, simple, and we know that the
11 demographic of our customer is evolving, their use of
12 computers. So it is a constant journey. And so you
13 want to make sure all those improvements are in fact
14 improvement and not creating harm, which is why you
15 would never flip to 100 percent or even 90 percent of a
16 single one. But, certainly, if you've got indications
17 that you have an improved flow, you could go quite
18 high, more than 50 percent.

19 Q. More than 50 percent.

20 So were there any sort of the improvements to
21 the enrollment flow we were discussing were tested,
22 were any of those dialed up over 50 percent, to your
23 recollection?

24 MS. FLAHIVE WU: Objection to form and
25 scope.

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 110

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4) No. 2123050

5 AMAZON.COM, INC.)

6)

7 2.7(h) Investigational Hearing

8 AMAZON.COM, INCORPORATED

9 GREGORY FULLER

10

11

12 Federal Trade Commission

13 Henry M. Jackson Federal Building

14 915 Second Avenue, Suite 2896

15 Seattle, Washington

16

17

18

19

20

21

22

23

24 DATE: January 12, 2023

25 REPORTED BY: Wade J. Johnson, RPR

CCR No.: 2574

Fuller

Amazon.com, Inc.

1/12/2023

1

2

3

4

5 SEATTLE, WASHINGTON; THURSDAY, JANUARY 12, 2023

6 10:47 A.M.

7 --oOo--

8

9 GREGORY FULLER, deponent herein, having been
10 first duly sworn on oath, was
11 examined and testified as
12 follows:

13

14 E X A M I N A T I O N

15 BY MR. NARDINI:

16 Q. Good morning.

17 A. Good morning.

18 Q. Could you please state your name and title for
19 the record.

20 A. Greg Fuller, global head of Owned and Operated
21 Marketing, Amazon Music.

22 Q. Good morning, Mr. Fuller. My name is Max
23 Nardini. I'm an attorney with the Federal Trade
24 Commission and the hearing officer for today's
25 investigational hearing. As you know, I'll be asking

Fuller

Amazon.com, Inc.

1/12/2023

1 THE REPORTER: Would you repeat the
2 percent.

3 THE WITNESS: Nought point four.

4 MR. ANTHONY: And that's British English
5 for zero?

6 THE WITNESS: That's British English for
7 zero.

8 MR. NARDINI: So stipulated.

9 THE WITNESS: Well, actually, just
10 English, but, yeah.

11 MR. ANTHONY: Zing.

12 Q. Okay. But you're not sure, within the
13 400,000, what subset relate to mistaken or accidental
14 signups, right?

15 MR. ANTHONY: Same objections.

16 A. We don't know because we can't get in the
17 customer's head around whether they accidentally signed
18 up or not. They report a number of things. I don't
19 know the specific subsection of which they would report
20 as accidental. No, we don't have that. It's just a
21 number of reasons for cancelation. And some of them
22 might be, for example, they couldn't find the
23 cancelation flow, for example.

24 Q. I want to make sure I understand. Within the
25 customer service contact to sort of code the nature of

Fuller

Amazon.com, Inc.

1/12/2023

1 consumer complaints, is there not one for accidental or
2 mistaken signups?

3 MR. ANTHONY: Objection. Scope.

4 A. I don't know if it's categorized as
5 accidental. I know there's a number of categories. I
6 don't know if it's actually categorized as accidental.

7 Q. Mm-hmm.

8 A. Yeah.

9 Q. Are you aware of any consumer complaints
10 regarding Amazon Music Unlimited and that the
11 individual mistakenly signed up or accidentally signed
12 up for the program?

13 MR. ANTHONY: Objection. Scope and form.

14 A. In terms of accidental signups, as I was
15 saying, there's a number of reasons why people want to
16 cancel. We get quarterly feedback from customer
17 service, of which we get anecdotes from customers, some
18 of which state they accidentally signed up, but, like I
19 said, there's a number of reasons, but I am aware that
20 there would be some anecdotes within those reports.

21 Q. And do you have any sense of the volume or
22 quantity of those types of reports?

23 MR. ANTHONY: Objection. Scope.

24 A. Only, like I said, that it's a small percent
25 overall of the customer base and, within that, a

Fuller

Amazon.com, Inc.

1/12/2023

1 smaller percent deemed accidental. I don't know the
2 exact amount.

3 Q. Have you studied the percentage or volume of
4 members who sign up but never use a benefit?

5 MR. ANTHONY: Objection. Scope.

6 A. We, from time to time, look at reports that
7 would show inactivity rate, yeah.

8 Q. And what have those reports shown?

9 MR. ANTHONY: Objection. Scope.

10 A. They would show the percentage of customers
11 that haven't used the service within a period of time.

12 Q. What increments do the reports measure?

13 MR. ANTHONY: Objection. Scope and form.

14 A. You can pull the data on a number of different
15 increments, yeah.

16 Q. Has that data created any concerns within
17 Amazon Music Unlimited?

18 MR. ANTHONY: Objection. Scope and form.

19 A. I would say we pull the data and monitor that,
20 along with a number of other metrics and, yeah, take
21 actions to improve the customer experience generally,
22 yeah.

23 Q. Do you consider a lack of usage to be a
24 potential sign that an individual signed up by mistake
25 or without realizing it?

Fuller

Amazon.com, Inc.

1/12/2023

1 MR. ANTHONY: Objection. Scope.

2 A. We monitor activity usage of the service in
3 terms of monthly active users and inactive users. So
4 it would be one of, yeah, a number of data points
5 around whether or not customers were enjoying the
6 service, taking advantage of it.

7 Q. If you see that a percentage of users has been
8 inactive, what are the reasons you would consider for
9 that inactivity?

10 A. It could be a number of reasons for the
11 inactivity. We don't have the data specifically on
12 what those reasons would be. But we do look at a
13 period of time and then make recommendations on how we
14 could deal with that customer experience.

15 Q. And has Amazon Music Unlimited ever discussed
16 that one reason for a lack of usage could be mistaken
17 signups, who didn't realize they were indeed enrolled,
18 therefore did not make use of the benefit?

19 MR. ANTHONY: Objection. Scope and form.

20 A. I haven't been involved in any of those
21 specific conversations. That could be one reason,
22 yeah.

23 Q. But it sounds like that hasn't been -- your
24 testimony in your capacity as the Amazon corporate
25 witness on the subject -- that hasn't been a

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 111

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)
4 AMAZON.COM, INC.) No. 2123050
5)
6)

6

7 2.7(h) Investigational Hearing

8 AMAZON.COM, INCORPORATED

9 JAMIL A. GHANI

10

11

12 Federal Trade Commission
13 Henry M. Jackson Federal Building
14 915 Second Avenue, Suite 2896
15 Seattle, Washington

14

15

16

17

18

19

20

21

22

23 DATE: January 11, 2023

24 REPORTED BY: Wade J. Johnson, RPR
25 CCR No.: 2574

Ghani

Amazon.com, Inc.

1/11/2023

1 SEATTLE, WASHINGTON; WEDNESDAY, JANUARY 11, 2023

2 8:34 A.M.

3 --oOo--

4

5 JAMIL A. GHANI, deponent herein, having been
6 first duly sworn on oath, was
7 examined and testified as
8 follows:

9

10 E X A M I N A T I O N

11 BY MS. JERJIAN:

12 Q. Good morning, Mr. Ghani.

13 A. Good morning.

14 Q. Can you state your name for the record.

15 A. It's Jamil Asad Ghani.

16 Q. And you hold the same position at Amazon as
17 you did since November 2022?

18 A. I do, yes.

19 Q. And you're here on behalf of Amazon, correct?

20 A. I am.

21 MR. HALL: Olivia, do you want to do
22 appearances?

23 MS. JERJIAN: Yes. Thank you.

24 I'm Olivia Jerjian. I'm here on behalf
25 of the Federal Trade Commission, and I'm here joined by

Ghani

Amazon.com, Inc.

1/11/2023

1 my colleagues, Max Nardini and Jonathan Cohen, as well
2 as Maggie Cole and Ryan Zwonik, honors paralegals.

3 And I'll let Mr. Hall introduce his side.

4 MR. HALL: Thank you.

5 John Hall, Covington & Burling. With me
6 are my colleagues, Kevin Kelly and Haley Johnson in the
7 room and, on the telephone, Eli Jacobs. We represent
8 the company, Amazon.com, Inc., as well as Mr. Ghani,
9 whom the company has designated to testify on the
10 topics that you're covering today.

11 MS. JERJIAN: Great.

12 Q. Mr. Ghani, can you list the ways in which a
13 customer can cancel their Prime subscription.

14 A. There are two primary methods by which a
15 member can cancel their subscription. It's either
16 employing the online cancelation flow or calling
17 customer service.

18 Q. You said primary ways. Are there any other
19 ways besides the two that you just listed?

20 A. Those are the two ways.

21 Q. And when you're referring to the cancelation
22 flow, is that the Iliad flow?

23 A. I refer to it as the cancelation flow. The
24 project name was Project Iliad, historically.

25 Q. Who named the Iliad Project, Iliad?

Ghani

Amazon.com, Inc.

1/11/2023

1 A. The name was in place when I came into my
2 current role and even my previous role. So it was -- I
3 believe it was a product manager on the retention or
4 cancelation team, but that predates me.

5 Q. But, as a corporate representative of Amazon,
6 do you not -- can you not tell me who named the Iliad
7 flow, who gave the Iliad flow its name?

8 MR. HALL: Objection. It's beyond the
9 scope of the time period set for the deposition today.
10 Obviously, any testimony he would give would be in his
11 personal capacity, not on behalf of the company.

12 A. So, I -- in order to prepare for today -- I
13 did extensive work, including talking to an individual
14 who was involved with the cancelation flow even before
15 I was and also reviewed all of the documents that were
16 provided through discovery, and I was not able to
17 determine who the named individual is. It was someone
18 on the retention, slash, cancelation team, but it
19 predates myself and another individual who predates me.

20 Q. Who is this other individual?

21 A. Benjamin Hills.

22 Q. And so neither you nor Ben Hills were able --
23 know who named the Iliad flow, correct?

24 MR. HALL: Same objection.

25 A. Despite my best efforts to determine who named

Ghani

Amazon.com, Inc.

1/11/2023

1 We both agreed, at the time, based on our best
2 knowledge, there were a series of projects, as I
3 indicated, Project Odyssey, Project Odysseus, Project
4 Iliad, that were all named in this thematic grouping.

5 And so that's my understanding, the company's
6 understanding, of why it was named that way.

7 Q. Did Project Odyssey and Project Odysseus
8 pertain to the cancelation flow?

9 A. Ultimately, no. Odyssey did not. Odyssey was
10 a project that ultimately was in the payments space.
11 And then Odysseus was another project that ultimately
12 did not move forward as such. The ideas were
13 incorporated into other efforts with the cancelation
14 flow. And it pertained to putting more relevant
15 information forward for members in their kind of entire
16 retention journey.

17 Q. So Project Odysseus did pertain to the
18 cancelation flow, yes?

19 MR. HALL: Object to the form.

20 A. As far as -- I tend to think about the
21 retention experience as inclusive of the cancelation
22 flow, but extending into the day-to-day usage of the
23 Prime membership well before cancelation, as well.

24 Q. And when was the Iliad flow created?

25 A. Again, the cancelation flow -- I don't refer

Ghani

Amazon.com, Inc.

1/11/2023

1 to it as the Iliad flow -- it was put in place -- the
2 three-step process was put in place sometime in 2016.

3 Q. I'm sorry, can you just explain to me what
4 distinction you're making between cancelation flow and
5 Iliad flow.

6 A. Yes. Iliad was the name of the project.
7 You'll find documents where the team shorthands. This
8 is common, where the team has worked on something or
9 came to know it through the project, then continues
10 referring to the project. I generally dissuade teams
11 from doing that because it makes the actual thing we're
12 talking about opaque to those who were not involved.
13 It's not very inclusive language.

14 So we systematically try to, once a project is
15 launched and completed, to move on and just call the
16 thing the thing, which is, it is the cancelation flow.
17 So that's how I tend to describe it and talk about it
18 and refer to it with the team.

19 Q. So the cancelation flow dates back to 2016.
20 Is that correct?

21 A. The cancelation flow, as it exists with three
22 elements, dates back to 2016, yes.

23 Q. What was the goal of the Iliad project when it
24 was created?

25 MR. HALL: Objection. Beyond the time

Ghani

Amazon.com, Inc.

1/11/2023

1 period of the CID.

2 A. In 2016, best as my research has indicated,
3 the team that was operating Prime at the time, well
4 before my time at the company and in this role, was --
5 needed to implement a cancelation flow. Previously,
6 there was, best as I understand it, a less organized
7 approach to cancelation. It was principally through
8 customer service.

9 And so the team adopted the -- in large
10 measure -- what Audible was doing at the time and had a
11 robust online cancelation flow and which allowed
12 members to cancel simply. And so the team adopted much
13 of what Audible was doing. Had to create completely
14 new technology, but in terms of practice, adopted what
15 Audible had in place at the time.

16 And that became the cancelation flow for Prime
17 and has remained the cancelation flow for Prime since
18 then.

19 Q. Is it fair to say that one of the goals of the
20 Iliad project was to divert cancelations through
21 customer service and redirect them through an online
22 cancelation flow?

23 MR. HALL: Same objection.

24 A. No. Project Iliad's purpose was to create a
25 simple online cancelation process for members that

Ghani

Amazon.com, Inc.

1/11/2023

1 additionally provided them the necessary information in
2 order to make an informed choice. What we have found
3 then and have found since is that members were having a
4 very inconsistent experience through the customer
5 service channel.

6 For example, one study indicated that up to
7 30 percent of members were erroneously canceled.
8 Customer service is incented to minimize call handling
9 time, and despite that, calls are, on average length,
10 5-plus minutes, sometimes 8 minutes long. And so it
11 was creating an inconsistent experience for our members
12 and also a pretty laborious process if someone wanted
13 to, simply, on their own terms, cancel quickly.

14 And so we thought we could do much better with
15 an online cancelation flow, which we have, and today
16 and since 2016 have had, a very simple online mechanism
17 that allows members to cancel and provide relevant
18 information for them to have informed choice.

19 Q. Can you explain what you mean by informed
20 choice.

21 A. Prime is a multi-benefit program that we
22 believe delivers disproportionate value. Research has
23 shown that members are often unaware of their benefits,
24 unaware of how to take advantage of their benefits.
25 And so throughout the entire experience, we work really

Ghani

Amazon.com, Inc.

1/11/2023

1 But we respect the decision they make in that
2 online cancelation flow, cancel, pause, or any of the
3 other options we've been discussing this morning. But
4 then we recognize that the majority of them, the vast
5 majority of them, go on to shop on Amazon.com.

6 And so we still offer a valuable program, and
7 we want them to know that. Not to sound too romantic
8 about it, but we're here for them if they want to
9 re-subscribe.

10 And so I think those two ideas are consistent.
11 This is a point decision in an online cancelation flow.
12 We make that simple for them. And then -- but we also
13 recognize that the vast majority of customers go on and
14 have a relationship with Amazon, and many of them go on
15 and have a relationship with -- a membership with
16 Prime.

17 Sorry for all the romantic language. I don't
18 mean to be romantic. I'm just trying to describe how I
19 think about it.

20 Q. Has Amazon received complaints about customers
21 who go through the cancelation flow, select to pause,
22 but then are charged for the subsequent billing cycle?

23 A. I'm not aware of any such complaints. Because
24 the pause functionality pauses the membership and stops
25 future billing cycles.

Ghani

Amazon.com, Inc.

1/11/2023

1 Q. So you're not aware of any instances where
2 someone clicks pause and then is charged for next
3 month?

4 A. In my preparation and also in my leadership of
5 the program, I am not aware of such complaints.

6 Q. Okay. What is Project Ice Person?

7 A. Project Ice Person was the project to build
8 the functionality to pause.

9 Q. Who created this project?

10 A. It was led by the Prime team, of course, and
11 it was specifically initiated by the team, generally,
12 membership retention, cancelation, that space.

13 Q. Who is the owner of this project?

14 A. The managerial leader over the project was Ben
15 Hills. And then there was -- there was a product
16 manager and software manager and what have you. But
17 Ben Hills had managerial responsibility for it.

18 Q. Was Simone LaHood the project manager?

19 A. She was. Thank you. Simone was the product
20 manager for the delivery of the project. I believe
21 there may have been another product manager for a short
22 period at the beginning. But Simone, for all intents
23 and purposes, led the project, delivered the project.

24 Q. Okay. When did this project begin?

25 A. Like I said, the project launched in the U.S.

117

Ghani

Amazon.com, Inc.

1/11/2023

1 in 2019, I believe, and I believe it was initiated in
2 2018. This project was very complicated, and so it was
3 a longer project than many. And I took over
4 responsibility for the Prime program as the project was
5 rolling out and then was involved in a lot of the
6 retrospectives on the project.

7 Q. When you say the project launched in 2019 in
8 the U.S., that means that it became effective on the
9 website at large, correct?

10 A. Pause functionality was rolled out to
11 customers, yes.

12 Q. Is information with respect to refunds
13 presented in the cancelation flow?

14 A. Yes, it is.

15 Q. Tell me what's presented with respect to
16 refunds.

17 A. On the cancelation flow confirmation page, the
18 last page of the cancelation, the member, if eligible
19 for a refund, is presented with the amount of that
20 refund.

21 Q. How can a customer be eligible for a refund?
22 Are there different reasons?

23 A. It's based on usage of the membership in the
24 relevant billing period.

25 Q. What do you mean by it's based on the usage of

Ghani

Amazon.com, Inc.

1/11/2023

1 membership?

2 A. If the member has not used their benefit at
3 all, they are eligible for a full refund. If they have
4 used benefits below a certain threshold, for which
5 there's a logic, the member will then be offered up a
6 partial refund, a pro rata refund. And then, if they
7 have used their benefits above that threshold, they
8 will not be eligible for a refund.

9 Q. Is the refund automatically provided to the
10 customer, or does the customer have to request it or
11 press a button in any way in a cancelation flow to
12 obtain it?

13 A. The customer is offered, if relevant as it
14 pertains to cancelation, the option to cancel
15 immediately, which would then trigger the logic that I
16 just walked through. If they instead choose to
17 maintain their membership through the end of the
18 billing period, then they can select that option, and
19 then there is no refund associated with that option.

20 Q. And when you say if relevant, you mean if the
21 customer either did not use their membership or used it
22 below the threshold. Is that what that means?

23 A. Let me attempt to explain it a different way.

24 Q. Sure.

25 A. So let's say I'm a monthly member. I signed

Ghani

Amazon.com, Inc.

1/11/2023

1 But they are, for all intents and purposes,
2 out of the membership. They are not getting billed.
3 They are not counted in any of the membership counts.
4 So they are out of the membership.

5 Q. Do customers in a paused state get Prime
6 upsells, or see Prime upsells when they use Amazon?

7 MR. HALL: Objection. Beyond the scope.

8 A. Prime members who are in a paused state
9 receive offers to resume their membership. That is the
10 specific language we use. And, yes, they do get
11 opportunities to do that at various points in their
12 experience.

13 Q. In their shopping experience?

14 MR. HALL: Objection. Beyond the scope.

15 A. Yes, their shopping experience.

16 Q. Do customers in a paused state get more
17 upsells to rejoin Prime than a non-Prime customer gets
18 to sign up for Prime?

19 MR. HALL: Same objection, beyond the
20 scope of the notice topics.

21 A. I do not know precisely the count of
22 non-member upsells -- let's call them that -- and the
23 precise number of paused member resume upsells. But
24 given the locations and templates that have been
25 created in the experience to enable resumption of a

Ghani

Amazon.com, Inc.

1/11/2023

1 paused membership, that is far fewer than the number of
2 upsell experiences we've built over time.

3 So, while I don't know the precise number,
4 directionally, non-members have more opportunities and
5 locations where they could sign up for Prime -- from
6 non-Prime to Prime -- than a paused member could go
7 from paused to unpaused.

8 Q. So is what happens is that a paused member can
9 just stay paused forever?

10 MR. HALL: Same objection.

11 A. A paused member is out of the membership, so,
12 yes, they could stay paused indefinitely.

13 Q. Going back to Exhibit 4.

14 A. Yes, ma'am.

15 Q. On the second page, Interrogatory 6, you
16 respond to Interrogatory 6 -- I'm just going to read a
17 section of it. It starts at the very bottom of page 2.
18 "Indeed, as noted above, approximately [REDACTED] percent of
19 Prime members who initiate the cancelation process
20 online complete the process and cancel their
21 membership." That's what you were referring to earlier
22 in your testimony, correct?

23 A. Yes. I believe it was Exhibit 2, where we
24 reviewed line 7.

25 Q. That's a good memory.

Ghani

Amazon.com, Inc.

1/11/2023

1 And it goes on to say "And members who
2 initiate the cancelation process online but ultimately
3 decide to retain their Prime memberships on average
4 take greater advantage of their Prime benefits as
5 compared to members who did not initiate the process."
6 I'm not going to read the rest of it, but did I read
7 that clause correctly?

8 A. You did.

9 Q. How many individuals who initiate the
10 cancelation process ultimately decide to retain their
11 Prime membership but then go on not to use their Prime
12 benefits? How many customers are in that situation on
13 average?

14 MR. HALL: Object to the form.

15 A. I do not have that specific metric on the top
16 of my mind, but, per Exhibit 2 table, anywhere between
17 20 to 28 percent over the 2018 to 2021 period leave the
18 cancelation flow and do not cancel. Of those, as it
19 cites here, on average, they use their benefits more
20 than a like-for-like kind of cohort analysis of folks
21 that did not, otherwise similar customers, except for
22 having not visited the cancelation flow.

23 And, additionally, 70 percent of members who
24 visit the cancelation flow use their benefits in the
25 next 30 days.

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 112

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.) No. 2123050

5

6

7 Investigational Hearing

8 JAMIL A. GHANI

9

10

11 Federal Trade Commission
Henry M. Jackson Federal Building
12 915 Second Avenue, Suite 2896
Seattle, Washington

13

14

15

16

17

18

19

20

21

22

23 DATE: November 16, 2022

24 REPORTED BY: Wade J. Johnson, RPR
CCR No.: 2574

25

Ghani

Amazon.com, Inc.

11/16/2022

1 SEATTLE, WASHINGTON; WEDNESDAY, NOVEMBER 16, 2022

2 8:38 A.M.

3 --oOo--

4

5 MR. COHEN: Let's go on the record.

6 Good morning, Mr. Ghani.

7 THE WITNESS: Good morning.

8 MR. COHEN: My name is Jonathan Cohen. I
9 am an attorney with the Federal Trade Commission and
10 the hearing official in the capacity of this
11 investigational hearing.

12 Before we proceed, I'm going to ask you
13 your name, we're going to introduce everybody, get
14 their names on the record, and we'll swear you in.

15 And you are, sir?

16 THE WITNESS: I am Jamil Asad Ghani.

17 MR. COHEN: As I mentioned, I am Jonathan
18 Cohen. With me today is my co-counsel, Max Nardini.
19 We have also in the room with us Elena Hoffman, a
20 paralegal, and then we have Jake Frech and Ryan Zwonik
21 on the phone.

22 Mr. Hall?

23 MR. HALL: John Hall, Covington &
24 Burling, for the witness, Mr. Ghani. With me from my
25 firm, in the room, Lelia Ledain, Mark Capuano, and, on

Ghani

Amazon.com, Inc.

11/16/2022

1 the telephone, Jayne Ponder.

2 MR. COHEN: Mr. Hall, you'll comply with
3 the Commission's order with respect to today's
4 proceedings?

5 MR. HALL: I will comply with my
6 professional obligations and the agency's rules as
7 ordered by the Commission.

8 I trust you will, too.

9 MR. COHEN: Yes.

10 If you would swear the witness, please.

11

12 JAMIL A. GHANI, deponent herein, having been
13 first duly sworn on oath, was
14 examined and testified as
15 follows:

16

17 E X A M I N A T I O N

18 BY MR. COHEN:

19 Q. Good morning again, Mr. Ghani. Have you been
20 deposed before?

21 A. I was deposed once before.

22 Q. And that was in a different FTC matter?

23 A. Yes, it was.

24 Q. You probably sort of generally understand the
25 rules. I'll just make a couple of points, and you let

Ghani

Amazon.com, Inc.

11/16/2022

1 day, and that has been true the entire time I've been
2 at Prime.

3 Q. And so it was true, the entire time you've
4 been at Prime, that you could have simplified the flow,
5 but it wasn't being done before, and now it is being
6 done, correct?

7 MR. HALL: Object to form.

8 A. Like all the other experiences that we offer
9 our members, we're constantly improving them, so --
10 those improvements are not predicated on a named
11 project.

12 Q. Why was this not made a priority earlier? Why
13 was Project Café-type changes, why were they not made a
14 priority earlier?

15 A. I believe I just said that improving the
16 cancelation flow has been a priority throughout my
17 entire time. We are constantly making improvements to
18 the cancelation flow.

19 Q. Why wasn't this project instituted or incepted
20 in, let's say 2020, so that it would have already been
21 completed?

22 MR. HALL: Object to form.

23 A. The team was working on a variety of topics
24 across all of Prime, Prime's business, including the
25 cancelation flow. As I said before, changes were being

Ghani

Amazon.com, Inc.

11/16/2022

1 made. This particular named project and the technical
2 resources necessary to get those changes made were
3 first pulled together, I believe in late 2020.

4 Q. And why were they not pulled together earlier?
5 That's what I'm asking.

6 A. Well, one explanation is I only took over the
7 role at the end of 2019. And so, in 2020, we also
8 faced a global pandemic, and so we were dealing with a
9 lot of things. And so we started work, I believe in
10 late 2020, and then started working -- these are not
11 insubstantial changes to make around the world in a
12 core experience.

13 Q. I'll direct you to line 141 on this page,
14 which is 8121. "These changes represent a significant
15 step towards our strategy, and we expect them to reduce
16 customer frustrations and address complaints submitted
17 to regulators, which seem to be primarily concerned
18 with the number of steps/clicks to cancel."

19 Did I read that correctly?

20 A. You did read it correctly.

21 Q. Part of the purpose of Project Café is to
22 address complaints submitted to regulators, correct?

23 A. I think the sentence says, "We expect them to
24 reduce customer frustrations." That was the primary
25 focus, improving the experience. And, additionally,

Ghani

Amazon.com, Inc.

11/16/2022

1 the team -- I didn't write this document -- is stating
2 that it also addresses the concerns that had been
3 raised by regulators.

4 Q. So part of -- I'll just leave it at that.

5 Let's go on to this document, which has been
6 marked as 19?

7 (Exhibit 19 marked for
8 identification.)

9 MR. COHEN: Here's your copy, Mr. Hall.

10 MR. HALL: Thank you.

11 Q. You wrote at the top, on the first email,
12 "Maintaining P&C," correct?

13 A. I did, yes.

14 Q. What does that mean?

15 A. Maintaining privileged and confidentiality or
16 confidential.

17 Q. What does maintaining privileged and
18 confidential mean?

19 A. That I wanted to make sure that there was no
20 ambiguity that this correspondence was seeking the
21 input of Praju Tuladhar, my lawyer.

22 Q. So, when you wrote, "Here are my notes."
23 Hopefully, you can see them, created with PDF Expert,"
24 and then went on from that, "Happy to" -- you went on
25 from that, you were seeking Mr. Tuladhar's input into

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court
Reporter 2574 for the State of
Washington residing at Seattle,
Washington.
My CCR certification expires on
09/18/23.

EXHIBIT 113

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)
4 AMAZON.COM, INC.) No. 2123050
5)
6)

7

8 Investigational Hearing

9 KATEY MUUS

10

11 Federal Trade Commission
12 Henry M. Jackson Federal Building
13 915 Second Avenue, Suite 2896
14 Seattle, Washington
15
16
17
18
19
20
21
22

23 DATE: October 25, 2022

24 REPORTED BY: Wade J. Johnson, RPR
25 CCR No.: 2574

Muus

Amazon.com, Inc.

10/25/2022

1 SEATTLE, WASHINGTON; TUESDAY, OCTOBER 25, 2022

2 8:28 A.M.

3 --oOo--

4

5 MR. COHEN: Let's go on the record.

6 Good morning. Could you please state

7 your name for the record?

8 THE WITNESS: Yes. Katey Muus.

9 MR. COHEN: Ms. Muus, before we continue,

10 I'm going to have counsel introduce themselves just for
11 the record.

12 My name is Jonathan Cohen, and I'm an
13 attorney with the Federal Trade Commission and Division
14 of Enforcement. I'm also acting as the hearing
15 official on today's proceeding.

16 With me today is my co-counsel, Max
17 Nardini.

18 And, Counsel?

19 MR. ANTHONY: Stephen Anthony, of the law
20 firm of Covington & Burling. I'm here on behalf of the
21 witness.

22 MS. RUTHERFORD: Amanda Rutherford, also
23 from Covington.

24 MR. COHEN: Also on behalf of the
25 witness?

Muus

Amazon.com, Inc.

10/25/2022

1 MS. RUTHERFORD: Also on behalf of the
2 witness.

3 MR. COHEN: And, Marc, on the phone?

4 MR. CAPUANO: Yeah. This is Marc
5 Capuano, from Covington, on behalf of the witness.

6 MR. COHEN: Sir, could you please swear
7 the witness.

8

9 KATEY MUUS, deponent herein, having been
10 first duly sworn on oath, was
11 examined and testified as
12 follows:

13

14 E X A M I N A T I O N

15 BY MR. COHEN:

16 Q. Good morning. Again, just with some basics.
17 Have you ever been -- I assume the answer is no to
18 this -- but have you ever been interviewed or examined
19 as part of a government investigation previously?

20 A. No, I have not.

21 Q. Have you ever been deposed previously?

22 A. No.

23 Q. I'm going to ask you some questions and just
24 there's two things that I want you to focus on.
25 There's lots of things to focus on, but there's two in

Muus

Amazon.com, Inc.

10/25/2022

1 I was in this role on this subject.

2 Q. You testified previously though that the only
3 evidence of nonconsensual enrollment is anecdotal. Did
4 I understand that correctly, or I misunderstood?

5 MR. ANTHONY: Objection. The witness's
6 testimony speaks for itself.

7 A. That's what I recall. It's anecdotal data.

8 Q. So you don't know, one way or the other,
9 whether there was data that was not anecdotal data?

10 A. Not that I recall.

11 Q. Do you recall reviewing or -- reviewing data
12 having to do usage patterns?

13 A. No, I do not recall, having to do with usage
14 patterns.

15 Q. Do you recall data having to do with reports
16 to customer service?

17 A. I have seen data about customer service
18 reports. I don't recall that off the top of my head.

19 Q. In your view, just sitting here today, as
20 someone with a significant experience in UX design, is
21 the Prime cancelation flow simple?

22 MR. ANTHONY: Objection. That question
23 calls for a legal conclusion.

24 You may answer.

25 A. In reviewing -- I haven't looked at it in at

Muus

Amazon.com, Inc.

10/25/2022

1 least over a year, but the last audit that I reviewed,
2 that was a competitive analysis, showed that our
3 cancelation flow had less steps than competitors.

4 MR. COHEN: I'm going to move to strike
5 that answer as nonresponsive.

6 Mr. Reporter, could you please read back
7 the question.

8 (The previous question was
9 read back.)

10 MR. ANTHONY: Object to the question.
11 The witness has already answered.

12 If you have anything to add, you may.

13 A. Well, I think I had testified earlier really,
14 if I recall correctly, that I haven't -- I haven't made
15 recommendations on the cancelation flow. So I'm not
16 intimately familiar with the details of the cancelation
17 flow. I have looked at competitive analysis of it, and
18 the determination I made from that was that it was
19 simple.

20 Q. So you did make that determination at the time
21 you reviewed the competitive analysis?

22 A. That it was simple in comparison to
23 competitors.

24 Q. It was simple in comparison to competitors.

25 A. Yes.

Muus

Amazon.com, Inc.

10/25/2022

1 Q. That wasn't my question. Did you determine
2 that it was simple?

3 MR. ANTHONY: Objection. The question is
4 argumentative.

5 You may answer.

6 A. Again, I viewed it in the context of
7 competitor analysis.

8 Q. But you did, at that point in time, reach a
9 conclusion. When I say point in time, when you
10 reviewed the comparative analysis. And that conclusion
11 was that it was simple in comparison to competitors?

12 A. That is correct.

13 Q. Did you record that conclusion anywhere?

14 A. Not that I recall.

15 Q. That was just a conclusion that was in your
16 mind?

17 A. That's what I recall.

18 Q. In what respects was it simpler than
19 competitors?

20 A. My recollection is that it has less steps and
21 that the wording was more clear. That's my
22 recollection.

23 Q. What were the competitors if you recall?

24 A. I know Walmart was one. Jet.com was one. I
25 believe there were others, but I don't remember.

Muus

Amazon.com, Inc.

10/25/2022

1 Q. Was there ever a point in time when anyone
2 expressed in any way concern to you that the
3 cancelation flow was not simple?

4 A. There were members of the research team, one
5 in particular, who was concerned that the cancelation
6 flow was not simple enough.

7 Q. One of those members was Mr. Nelson?

8 A. That is correct.

9 Q. Were there any others?

10 A. His manager, Mary Pat Gtoschall.

11 Q. Were there others?

12 A. Not that I recall.

13 Q. If you recall, what were Ms. Gtoschall's
14 reasons for her concerns that the cancelation flow was
15 not simple?

16 MR. ANTHONY: Objection to the form.

17 A. I don't recall what Mary Pat's reasoning was.

18 MR. COHEN: Let's mark as KM-1 -- and I'm
19 providing a copy to counsel -- a document Bates No.
20 98548.

21 (Exhibit KM-1 marked for
22 identification.)

23 Q. Ma'am, I direct you to the very first line. I
24 apologize if I mispronounce this individual's name,
25 "Hi, Vignesh." And it looks like that's Vignesh,

Muus

Amazon.com, Inc.

10/25/2022

1 Q. But you don't recall anything else about the
2 Subscription Clarity Initiative?

3 A. No.

4 Q. It certainly wasn't something that was a focus
5 of your tenure to date or has been a focus of your
6 tenure to date?

7 A. Not at all.

8 MR. ANTHONY: Object to the form.

9 A. No.

10 Q. Not at all, was your answer?

11 A. Mm-hmm.

12 Q. This is not something that was a priority for
13 you?

14 MR. ANTHONY: Object to the form.

15 A. I wouldn't state it that way. It's not a
16 prioritization issue, it's an ownership issue. I don't
17 own Prime signup flow.

18 Q. Well, Mr. Nelson and his colleagues are on
19 your team, right?

20 MR. ANTHONY: Object to the form.

21 A. Mr. Nelson was -- he was a skip level report
22 of mine.

23 Q. So he was an indirect report?

24 A. Correct.

25 Q. Because he reported to Mary Pat Gtoschall?

Muus

Amazon.com, Inc.

10/25/2022

1 A. That's correct.

2 Q. And Mary Pat Gtoschall reported to you?

3 A. That's correct.

4 Q. And both Mr. Nelson and Ms. Gtoschall were
5 working hard on issues related to subscription clarity,
6 weren't they?

7 MR. ANTHONY: Object to the form.

8 A. They were working on it.

9 Q. Were you pleased with their work?

10 A. I was concerned that the way they were
11 approaching work was not getting any traction.

12 Q. Why did you have that concern?

13 A. The data that was being brought up by Reid,
14 because it was so anecdotal, and the hyperbolic way in
15 which he expressed it to other teams that he wanted to
16 do the things that he recommended, was not impactful or
17 effective.

18 Q. So, if I understand your testimony correctly,
19 you were dissatisfied with their work because of the
20 way they were presenting their recommendation?

21 MR. ANTHONY: Object to the form. The
22 testimony speaks for itself.

23 A. Yeah, I wouldn't say dissatisfied. It just
24 wasn't effective. And it was unclear whether the
25 hypotheses that they had were actually the right things

Muus

Amazon.com, Inc.

10/25/2022

1 to do.

2 Q. Why was it unclear to you whether the
3 hypotheses that they had were actually the right things
4 to do?

5 A. So everything we do with design at Amazon is
6 an experiment, right? We're constantly experimenting
7 to learn what is the best thing for customers. And
8 what may be good today may be different tomorrow. And
9 that's why we're constantly experimenting with new
10 designs.

11 And the tone that I recall from the
12 correspondence from Reid was somewhat of an outlier
13 opinion that there was a simple or singular way that we
14 could do something that would fix what he perceived to
15 be problems. And that -- there was no evidence that
16 that was correct.

17 Q. You testified -- what did you understand the
18 problem that he was identifying for which you have just
19 testified there was no evidence of?

20 MR. ANTHONY: Objection to the form.

21 You may answer.

22 Q. I'll ask it a different way. He was proposing
23 some changes, right?

24 A. He had some strong opinions about changes that
25 should be made.

Muus

Amazon.com, Inc.

10/25/2022

1 Q. And you, I think, testified that there was no
2 evidence that those changes would be effective?

3 MR. ANTHONY: Object to the
4 characterization of her testimony.

5 You may respond.

6 A. Can you ask again?

7 Q. From your perspective, was there evidence the
8 changes he was proposing would be effective?

9 A. I wouldn't know that without running any
10 experiments.

11 Q. And so you believed that -- at least sitting
12 here today -- you're not aware of any evidence that
13 those changes that Mr. Nelson was proposing would have
14 been effective?

15 A. No, I'm not.

16 Q. Let's stay on the paragraph, the top paragraph
17 on the page that's 99490. The second sentence
18 Mr. Nelson writes, "The goal of this initiative is to
19 drive cross-company adaptation of high-clarity CX
20 patterns that ensure customers are in control of key
21 membership actions, such as signup, cancelation, and
22 renewal." Did I read that correctly?

23 A. That is what this says.

24 Q. Given that you're not familiar with the
25 Subscription Clarity Initiative, you have no view one

Muus

Amazon.com, Inc.

10/25/2022

1 A. That is how I would interpret these blue dots.

2 Q. The description here is that, in the lower
3 left, "Currently, it takes multiple taps to find the
4 cancelation flow and three additional steps to complete
5 it, leaving customers feeling frustrated by how
6 complicated it is." Did I read that correctly?

7 A. That is what it says.

8 Q. That's a critique that you've heard before at
9 Prime -- excuse me -- that you've heard before at
10 Amazon?

11 A. What is it you're asking me if I've heard
12 before?

13 Q. The critique in the lower left, the critique
14 is -- critique is not fair -- there's a statement in
15 the lower left, "Currently, it takes multiple taps to
16 find the cancelation flow and three additional steps to
17 complete it, leaving customers feeling frustrated by
18 how complicated it is."

19 MR. ANTHONY: And the question is whether
20 that's an observation she's heard before?

21 Q. Yes. Is that an observation you have heard
22 before at Amazon, or is this the first time you're
23 seeing this?

24 A. I have heard this conclusion be drawn before.
25 The first half of this is a factual statement, and the

Muus

Amazon.com, Inc.

10/25/2022

1 second half is a conclusion that's being drawn from it,
2 and I've heard that being drawn before.

3 Q. And from whom have you heard that?

4 A. Reid Nelson and Mary Pat Gotschall.

5 Q. Have you been -- in any of the three meetings
6 that we've mentioned, has that opinion been expressed,
7 that customers feel frustrated by how complicated it
8 is?

9 A. I don't recall.

10 Q. In any of the three meetings that we've
11 discussed, has anyone discussed the number of taps that
12 it takes to complete the cancelation process?

13 A. There was a discussion of the number of taps
14 in comparison to competitors.

15 Q. Any other discussion?

16 A. Not that I recall.

17 Q. What was the conclusion of the discussion in
18 terms of the comparison? What was the conclusion of
19 the discussion in terms of the comparison?

20 A. That the Prime flow was superior.

21 Q. Superior defined how?

22 A. Number of clicks and clarity of instructions.

23 Q. Are there any other metrics besides click
24 number and instruction clarity that, in your opinion,
25 from a perspective of a UX designer, are important in

Muus

Amazon.com, Inc.

10/25/2022

1 determining the simplicity or complexity of a flow like
2 this one?

3 MR. ANTHONY: Object to the form.

4 A. There are a number of different metrics that
5 you could potentially apply here. One would be timing,
6 doing a time on task study, to see how long it takes a
7 customer -- to do a think aloud study, where customers
8 tell you whether they understand what's going on.
9 There's multiple different ways that you could kind of
10 test that out. I'm sure that there are quantitative
11 measures you could take in a WebLab format, as well.

12 Q. Time on task would not be a quantitative
13 measure?

14 A. So time on task would be a quantitative
15 measure. Thank you for that, allowing me to clarify
16 that. It would be probably not something we would get
17 statistical significance on, the way we would in a
18 WebLab, a WebLab being an A/B test that Amazon does.

19 Q. Do you know whether time on task studies done
20 with respect -- were time on task studies done with
21 respect to the flow that we're looking at here?

22 A. Not that I'm aware of.

23 Q. What about with respect to other Prime
24 cancelation flows, such as desktop?

25 A. Not that I'm aware of.

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 114

In the Matter of:

Amazon.com, Inc.

January 20, 2023

Lisa Leung

Condensed Transcript with Word Index



For The Record, Inc.

(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Amazon.com, Inc.

1/20/2023

1	3
1 FEDERAL TRADE COMMISSION	1 APPEARANCES: (continued)
2	2
3 In the Matter of:)	3
4 AMAZON.COM, INC.,) File No. 212-3050	4 ALSO PRESENT:
5 a corporation.)	5 MARGARET COLE, Honors Paralegal - FTC
6 -----)	6 JACOB FRECH, Honors Paralegal - FTC
7 Friday, January 20, 2023	7 ELENA HOFFMAN, Honors Paralegal - FTC
8	8 MICHAEL MACKO, ESQ. - Amazon
9 Room 10102	9 WILLIAM J. VIOLETTE, Economist - FTC
10 Federal Trade Commission	10 RYAN ZWONIK, Honors Paralegal - FTC
11 Constitution Center	11
12 400 7th Street, S.W.	12
13 Washington, D.C. 20024	13
14	14
15 The above-entitled matter came on for	15
16 investigational hearing, pursuant to	16
17 civil investigative demand, at 9:37 a.m.	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25

2	4
1 APPEARANCES:	1 FEDERAL TRADE COMMISSION
2	2 I N D E X
3 ON BEHALF OF THE FEDERAL TRADE COMMISSION:	3
4 JONATHAN COHEN, ESQ.	4 WITNESS: EXAMINATION: PAGE
5 MAX NARDINI, ESQ.	5 LISA LEUNG BY MR. COHEN 8
6 OLIVIA JERJIAN, ESQ. (p.m. session)	6
7 U.S. Federal Trade Commission	7
8 Bureau of Consumer Protection	8 EXHIBITS MARKED
9 Enforcement Division	9 EXHIBIT DESCRIPTION FOR ID
10 600 Pennsylvania Avenue, N.W.	10 Number1 Selected Amazon CID Responses FTC 10
11 Washington, D.C. 20580	11
12 (202) 326-2551	12 Number2 Appendix A to January 5, 2023 Production Letter FTC 10
13 jcohen2@ftc.gov	13
14	14 Number3 Matter 2125030 28
15 ON BEHALF OF AMAZON.COM, INC. AND THE WITNESS:	15
16 LAURA FLAHIVE WU, ESQ.	16
17 MARC P. CAPUANO, ESQ.	17 Number4 AMZN_00045461-00045469, 37
18 ELI JACOBS, ESQ. (via phone)	18
19 ANDREW SIEGEL, ESQ. (via phone)	19
20 Covington & Burling LLP	20
21 One CityCenter	21
22 850 Tenth Street, N.W.	22 Number5 AMZN_00099747-00099748, 40
23 Washington, D.C. 20001-4956	23
24 (202) 662-5982	24
25 lflahivewu@cov.com	25

1	2	3	4
1	1	FEDERAL TRADE COMMISSION	
2	2	I N D E X	
3	3		
4	4	WITNESS: EXAMINATION: PAGE	
5	5	LISA LEUNG BY MR. COHEN	8
6	6		
7	7		
8	8	EXHIBITS MARKED	
9	9	EXHIBIT DESCRIPTION FOR ID	
10	10	Number1 Selected Amazon CID Responses FTC	10
11	11	Matter 2125030	
12	12	Number2 Appendix A to January 5, 2023 Production Letter FTC	10
13	13	Matter 2125030	
14	14	Number3 AMZN_00099853-00099857, 1-29-2019 email from Cem Sibay to Pranav Mittal, et al.	28
15	15		
16	16	Number4 AMZN_00045461-00045469, 1-5-2020 email from Nikki Baidwan to Benjamin Hills, et al. w/attachment	37
17	17		
18	18		
19	19	Number5 AMZN_00099747-00099748, 5-18-2020 email from Erik Schmitz to Reid Nelson, et al.	40
20	20		
21	21	Number6 AMZN_00022492-00022495, 2-6-2021 email from Nikki Baidwan to Jamil Ghani	121
22	22		
23	23		
24	24		
25	25		

1 (Pages 1 to 4)

Amazon.com, Inc.

1/20/2023

5				7			
1	EXHIBIT	DESCRIPTION	FOR ID	1	P R O C E E D I N G S		
2	Number7	AMZN_00028275-00028276, 7-16-2019 email from Russell Grandinetti to Omar Kalim, et al.	127	2	- - - - -		
3				3	MR. COHEN: Good morning.		
4	Number8	AMZN_00096140-00096163, 9-28-2018 email from Jake Burghardt to Chee Chew, et al. w/attachments	213	4	MS. LEUNG: Good morning.		
5				5	MR. COHEN: If you could state your name for		
6				6	the record, and then I'm going to ask Madam Reporter to		
7				7	swear you in.		
8	Number9	AMZN_00095830-00095843, 6-17-2019 email from Masuma Henry to Russell Grandinetti, et al. w/attachments	248	8	MS. LEUNG: Yes.		
9				9	My name for the record is Lisa Leung.		
10				10	- - - - -		
11	Number10	AMZN_00028277-00028285, 7-15-2019 email from Omar Kalim to Masuma Henry w/attachment	270	11	Whereupon --		
12				12	LISA LEUNG		
13	Number11	AMZN_00059691-00059701, 7-24-2020 email from Caroline Moeller to Neil Lindsay, et al. w/attachment	297	13	a witness, called for examination, having been first		
14				14	duly sworn, was examined and testified as follows:		
15				15	MR. COHEN: Thank you.		
16	Number12	AMZN_00091284-00091292, 10-27-2020 email from Sanjay Balakrishnan to Nahshon Davidai, et al. w/attachment	313	16	And my name is Jonathan Cohen. I'm an		
17				17	attorney with the Federal Trade Commission in the		
18				18	Division of Enforcement, and I'm also serving as the		
19	Number13	AMZN_00022861-00022870, 12-3-2020 email from Rex Morey to Jamil Ghani, et al. w/attachment	332	19	hearing officer in today's investigational hearing.		
20				20	On my side of the table is my co-counsel,		
21				21	Max Nardini, as well as some honors paralegals from our		
22	Number14	AMZN_00058595-00058607, 12-16-2020 email from Reid Nelson to Katey Muus, et al. w/attachment	342	22	office -- I think we have actually the whole crew		
23				23	here -- Maggie Cole, Ryan Zwonik, Jacob Frech and		
24				24	Elena Hoffman.		
25				25	Also listening on the phone from our		

6				8			
1	EXHIBIT	DESCRIPTION	FOR ID	1	Bureau of Economics is Will Violette.		
2	Number15	AMZN-MGM-2R-003149387 through AMZN-MGM-2R-003149394 (clawed back)	372	2	Do you want to go ahead?		
3				3	MS. WU: Sure.		
4	Number16	12-23-2022 letter to Jonathan Cohen from Benjamin Langner	399	4	Good morning.		
5				5	Laura Flahive Wu of Covington & Burling for the		
6				6	witness and Amazon.		
7				7	With me today in the room is Marc Capuano, also		
8				8	of Covington & Burling, and in-house counsel from		
9				9	Amazon, Mike Macko.		
10				10	On the line we also have two colleagues from		
11				11	Covington, Eli Jacobs and Andrew Siegel.		
12				12	MR. COHEN: Thank you.		
13				13	- - - - -		
14				14	EXAMINATION		
15				15	BY MR. COHEN:		
16				16	Q. I'm going to get going with some sort of		
17				17	preliminary things, and just let me just ask right off		
18				18	the top, have you ever been deposed before?		
19				19	A. No, I have not.		
20				20	Q. Okay. There's a first time for everything.		
21				21	I'm going to give you a couple of kind of basic		
22				22	rules and the -- you know, we're -- this is a little		
23				23	bit of a different situation because I suspect you		
24				24	understand and I'm like going to ask you that you're		
25				25	testifying on behalf of the company today. Let's start		

2 (Pages 5 to 8)

113

1 BY MR. COHEN:

2 **Q. What about an instance in which there was a**
3 **discussion and Mr. Grandinetti gave a direction that**
4 **was consistent with that discussion? Would you**
5 **consider -- would the company consider Mr. Grandinetti**
6 **to have participated in the decision?**

7 MS. WU: Objection to form.

8 THE WITNESS: That's an unusual
9 characterization. I generally don't think of -- we
10 don't at Amazon generally classify someone as the
11 decision maker. We really do have it be a group
12 discussion, and we arrive sometimes, not always, on a
13 path forward. We generally don't characterize someone
14 as the decision maker.

15 BY MR. COHEN:

16 **Q. You don't consider Mr. Bezos to be a decision**
17 **maker?**

18 MS. WU: Objection to form and scope.

19 Is this with regard to Prime enrollment,
20 Counsel?

21 THE WITNESS: Can you be more specific? I
22 can't opine on every -- every discussion that
23 Jeff Bezos has.

24 BY MR. COHEN:

25 **Q. Just in your personal capacity, do you consider**

114

1 **Mr. Bezos to be a decision maker at Amazon?**

2 MS. WU: Objection to form and scope.

3 THE WITNESS: In my personal capacity, I can't
4 say that Jeff Bezos is the decision maker in every
5 case. I genuinely -- we genuinely have these discussions
6 where teams present their viewpoints, and Jeff may
7 agree or disagree.

8 BY MR. COHEN:

9 **Q. So Jeff Bezos is a decision maker in some**
10 **cases, in your personal experience.**

11 MS. WU: Objection to form and scope.

12 With regard to what topics, Counsel?

13 THE WITNESS: Can you be more specific?

14 BY MR. COHEN:

15 **Q. With regard to any topics, is it your view that**
16 **Jeff Bezos is a decision maker with respect to no**
17 **topics or that he is a decision maker with respect to**
18 **at least some topics?**

19 MS. WU: Objection to form and scope.

20 THE WITNESS: Once again, it's difficult -- we
21 don't classify someone as a decision maker. It's -- we
22 really don't go into meetings and say this person is
23 the decision maker. We go into the discussion with a
24 recommendation from the team as to how to proceed and
25 we have that discussion, and so the decision is made by

115

1 the group and by the process of the discussion.

2 BY MR. COHEN:

3 **Q. You're aware, are you not, that -- of something**
4 **called Project Lucent?**

5 MS. WU: Objection to form.

6 THE WITNESS: Yes, I am.

7 BY MR. COHEN:

8 **Q. Okay. Just in general, what was**
9 **Project Lucent?**

10 MS. WU: Objection to form.

11 THE WITNESS: Project Lucent is a code name, a
12 team name, a project name, that refers to multiple
13 content experimentations on our enrollment flow.

14 BY MR. COHEN:

15 **Q. And there were certain potential revisions or**
16 **changes to the enrollment flow that were proposed as a**
17 **result of Project Lucent; correct?**

18 MS. WU: Objection to form.

19 THE WITNESS: Correct.

20 BY MR. COHEN:

21 **Q. Okay. And those were not implemented in --**
22 **well, I'll stop there. I'll make it -- withdraw the**
23 **question.**

24 **Those were not implemented; correct?**

25 MS. WU: Objection to form.

116

1 Could you clarify the time period, Counsel.

2 BY MR. COHEN:

3 **Q. Were those ever implemented?**

4 A. So, yeah, can you clarify the time period?

5 **Q. Ever.**

6 A. The -- Project Lucent included multiple changes
7 to the enrollment period. Some of those changes in
8 similar forms were tested during the time period of
9 Project Lucent, they were also tested prior to
10 Project Lucent, as well as after.

11 **Q. But not all of the changes that Project Lucent**
12 **put forth were implemented, let's say, in 2018;**
13 **correct?**

14 MS. WU: Objection to form.

15 THE WITNESS: As I mentioned before,
16 Project Lucent covers multiple changes to the
17 enrollment flow. Those changes we have made similar
18 changes before and also have made similar changes after
19 that as well.

20 BY MR. COHEN:

21 **Q. So -- okay. Let's stick with the fact that**
22 **some changes were made.**

23 **Can you give me an example of a particular**
24 **change that Project Lucent considered that was**
25 **ultimately made?**

<p style="text-align: right;">117</p> <p>1 MS. WU: Objection to form.</p> <p>2 THE WITNESS: Project Lucent included multiple</p> <p>3 changes to the enrollment flow, and some of those</p> <p>4 changes were made afterwards as well.</p> <p>5 BY MR. COHEN:</p> <p>6 Q. Can you give me an example of a change that</p> <p>7 Project Lucent considered that was ultimately made?</p> <p>8 MS. WU: Objection to form.</p> <p>9 THE WITNESS: Project Lucent included changes</p> <p>10 to the positive call to action, the CTA, and some of</p> <p>11 those changes are present in the experience today.</p> <p>12 BY MR. COHEN:</p> <p>13 Q. Okay. Who at Amazon decided to make those</p> <p>14 changes, the one that you just identified or ones that</p> <p>15 you just identified?</p> <p>16 MS. WU: Objection to form.</p> <p>17 THE WITNESS: In the example that I just</p> <p>18 identified, which is changes to the positive call to</p> <p>19 action on the enrollment experience, that decision</p> <p>20 would have been made by the Prime team.</p> <p>21 BY MR. COHEN:</p> <p>22 Q. The Prime team.</p> <p>23 It wasn't made by anybody in particular on the</p> <p>24 Prime team?</p> <p>25 MS. WU: Objection to form.</p>	<p style="text-align: right;">119</p> <p>1 made with respect to that experience; correct?</p> <p>2 MS. WU: Objection to form.</p> <p>3 THE WITNESS: Correct.</p> <p>4 BY MR. COHEN:</p> <p>5 Q. Let's mark as 6 -- actually, before we do that,</p> <p>6 I have a kind of a general question about how Amazon</p> <p>7 thinks about whether to change -- make changes to</p> <p>8 Prime -- the Prime enrollment experience.</p> <p>9 It is true, is it not, that at least sort of as</p> <p>10 a general matter, Amazon would like that experience to</p> <p>11 be as clear and consumer friendly as possible?</p> <p>12 MS. WU: Objection to form and compound.</p> <p>13 THE WITNESS: We would like to offer the best</p> <p>14 possible experience to customers.</p> <p>15 BY MR. COHEN:</p> <p>16 Q. And that includes the clearest possible</p> <p>17 experience; right?</p> <p>18 MS. WU: Objection to form.</p> <p>19 THE WITNESS: Yes.</p> <p>20 BY MR. COHEN:</p> <p>21 Q. And it's also the case -- and I don't mean this</p> <p>22 in the slightest bit in a pejorative way -- Amazon</p> <p>23 would like to make money; right? It's a for-profit</p> <p>24 business; correct?</p> <p>25 MS. WU: Objection to form.</p>
<p style="text-align: right;">118</p> <p>1 THE WITNESS: On the changes to the positive</p> <p>2 CTA -- so I'm trying to be very specific here -- they</p> <p>3 would have been made by the Prime team, not any one</p> <p>4 person in particular.</p> <p>5 BY MR. COHEN:</p> <p>6 Q. The company would then agree with me that</p> <p>7 everyone on the Prime team has responsibility for that</p> <p>8 decision; correct?</p> <p>9 MS. WU: Objection to form.</p> <p>10 THE WITNESS: That is incorrect. We wouldn't</p> <p>11 assume -- the Prime team has hundreds of individuals.</p> <p>12 Some work on the signup experience. Some don't work on</p> <p>13 the signup experience. And employees that don't work</p> <p>14 on the signup experience would not be responsible for</p> <p>15 the signup experience.</p> <p>16 BY MR. COHEN:</p> <p>17 Q. So employees on the Prime team who work on the</p> <p>18 signup experience were responsible for the decision</p> <p>19 that we're discussing; is that correct?</p> <p>20 MS. WU: Objection to form.</p> <p>21 THE WITNESS: The part of the Prime team that</p> <p>22 work on the signup experience would be responsible for</p> <p>23 the signup experience. Correct.</p> <p>24 BY MR. COHEN:</p> <p>25 Q. And that includes responsible for decisions</p>	<p style="text-align: right;">120</p> <p>1 THE WITNESS: Correct.</p> <p>2 BY MR. COHEN:</p> <p>3 Q. Okay. So how does Amazon balance instances</p> <p>4 where maximizing clarity runs contrary to business</p> <p>5 interests?</p> <p>6 MS. WU: Objection to form. Lacks foundation.</p> <p>7 THE WITNESS: Our main priority on the Prime</p> <p>8 team and more broadly for Amazon is for us to have</p> <p>9 long-term and engaged and happy Prime members.</p> <p>10 BY MR. COHEN:</p> <p>11 Q. So the way that Amazon balances business</p> <p>12 interests and clarity is to choose the pathway that</p> <p>13 will -- is most likely to create long-term engaged</p> <p>14 members?</p> <p>15 MS. WU: Objection to form.</p> <p>16 THE WITNESS: That is correct.</p> <p>17 MR. COHEN: Let's mark as Exhibit 6 what's been</p> <p>18 labeled 22492 -- excuse me -- Amazon 00022492. And</p> <p>19 Ms. Cole is helping pass that out, and I'll give you</p> <p>20 your copy, ma'am.</p> <p>21 THE WITNESS: Thank you.</p> <p>22 MR. COHEN: I think that was 6; is that</p> <p>23 right?</p> <p>24 MS. WU: Yes.</p> <p>25 MR. COHEN: Okay.</p>

289

1 flow.

2 BY MR. COHEN:

3 **Q. Is it important to the company to understand**
4 **why it is that the signup rate differed in the**
5 **treatment?**

6 MS. WU: Objection to form.

7 THE WITNESS: It is important. And the reason
8 that the signup rate is different is because of this
9 change. That's the purpose of these experiments.

10 BY MR. COHEN:

11 **Q. This change wasn't immediately implemented, was**
12 **it?**

13 MS. WU: Objection to form.

14 THE WITNESS: This change was not implemented
15 in the few weeks following this experiment. But as I
16 mentioned before, when a treatment is not implemented,
17 it doesn't mean that it will never be implemented. It
18 just means that at that time we decided not to.

19 We have since then iterated on this signup
20 button in other locations and in other times since
21 then. This is a snapshot in time of a decision about
22 the signup and negative CTA.

23 BY MR. COHEN:

24 **Q. What do you mean by the estimate of time that**
25 **you provided me that this treatment wasn't implemented**

290

1 **in the few weeks following the experiment?**

2 MS. WU: Objection to form.

3 THE WITNESS: When this experiment was run in
4 2018-2019, we did not, after this experiment was run,
5 roll out this change more broadly.

6 But to answer your question around a button as
7 a negative CTA, that is currently the customer
8 experience on our mobile signup experience. It also is
9 the experience today. The decline option in our
10 checkout flow is a button.

11 So my point is that while we didn't roll out
12 this change at this time, we just revisited it later.

13 BY MR. COHEN:

14 **Q. A few weeks later?**

15 MS. WU: Objection to form. Asked and
16 answered.

17 THE WITNESS: Once again, it is -- it varies by
18 signup location. Our mobile signup experience has had
19 a button for quite a while. It's difficult for me to
20 say since when, but for many years. And we have made
21 changes to the Prime signup experience many times
22 before and after this particular experiment.

23 BY MR. COHEN:

24 **Q. Yeah, but -- but do you -- at any -- anywhere**
25 **in Prime enrollment, was this change made within a few**

291

1 **weeks of the experiment at any point within Prime**
2 **enrollment in any aspect of the Prime enrollment**
3 **process?**

4 MS. WU: Objection to form. Asked and
5 answered.

6 THE WITNESS: As I stated before, this
7 particular treatment was tested as a part of attempts
8 to improve clarity. We collected data as a result of
9 this experiment over a period of time. It didn't
10 support the hypothesis that it actually improved
11 clarity, and so we tried other things.

12 And we also revisited testing a button, so
13 leading us to today, we have a button that we have
14 today in our signup experience.

15 BY MR. COHEN:

16 **Q. I'm sorry that I'm really stuck on this, but**
17 **you're testifying for the company, and the testimony**
18 **you gave me now a few minutes ago was that the change**
19 **wasn't made for a few weeks.**

20 **Do you -- can you give me some, maybe a little**
21 **bit better perspective on how much time elapsed between**
22 **when this experiment occurred and when the first time**
23 **this type of change was implemented?**

24 MS. WU: Objection to form. Asked and
25 answered.

292

1 The witness has actually already testified
2 about different locations that have implemented the
3 button at various points in time, Counsel.

4 THE WITNESS: As I -- sorry to be repetitive.
5 As I mentioned, we tested in this experiment a button
6 for the negative CTA. We looked at the results.
7 What's outlined here is a subset of the results at a
8 snapshot in time. We looked at broader metrics over a
9 longer period of time, which led us to believe that
10 these weren't actually as effective improving clarity
11 as they could, so we dialed down this particular
12 treatment. And afterwards, we tried other things.

13 And we continue to iterate and in other
14 locations we continue to iterate, to the point where
15 our mobile signup experience has a negative button CTA
16 and our desktop experience in checkout also has a
17 negative CTA button today.

18 BY MR. COHEN:

19 **Q. Can you give me an increment of time between**
20 **when the T2 test was run and the first time this was**
21 **implemented? Just an increment of time is the answer**
22 **that I'm looking for, an increment of time.**

23 MS. WU: Objection to form. Asked and
24 answered.

25 THE WITNESS: We have tested this in 2018. We

<p style="text-align: right;">293</p> <p>1 have tested a button in 2020. We've tested it in 2021, 2 and it also is the current experience today. And I'm 3 speaking on behalf of desktop. 4 On our mobile signup experience we've had a 5 negative CTA button for many years now. I can't speak 6 to the exact time. 7 BY MR. COHEN: 8 Q. And so at least on the desktop, this test was 9 performed in 2018, and then it was rolled out fully 10 four years later? 11 MS. WU: Objection to form. Mischaracterizes 12 testimony. 13 THE WITNESS: Once again, I agree -- I disagree 14 with the "rolled out fully." Just to be clear -- and I 15 can be more specific -- we make changes and we test -- 16 we continually test to make changes to improve the 17 customer experience. 18 We ran this test in 2018 to test a button 19 versus a link. At that point in time, we collected 20 data, longer term as well, and we decided to not to 21 roll out the button treatment more broadly. 22 We revisited and tested this again in 2020 and 23 later as well. There are other times that we may have 24 tested it during that time, but for certain in 2020 and 25 2021.</p>	<p style="text-align: right;">295</p> <p>1 "with Amazon Prime" made it more clear to consumers 2 that the effect of the positive CTA was to enroll in 3 Prime? 4 MS. WU: Objection to form. 5 THE WITNESS: Once again, it's difficult for me 6 to infer how a customer felt. We believe that the 7 control as well as treatment is clear. 8 What we tried to test and what we tested here, 9 rather, is putting Amazon Prime in the headline. Is 10 that more or less clear than the Prime iconography 11 below? It's difficult for us to say. We just look at 12 the data that we're able to collect from the 13 treatments. 14 BY MR. COHEN: 15 Q. What would be a reason why signups would have 16 fallen if adding "with Prime" does not enhance clarity? 17 MS. WU: Objection to form. Calls for 18 speculation. Scope. 19 THE WITNESS: Once again, I can't infer as to 20 what customers were feeling, but we have run other 21 experiments where when we add additional text and 22 language and make the page longer to read that fewer 23 customers sign up. 24 BY MR. COHEN: 25 Q. So -- well, this is a little bit different than</p>
<p style="text-align: right;">294</p> <p>1 So I -- I don't agree with the characterization 2 of rolled out X years later. We continued to iterate 3 on this negative decline option before and after this 4 particular experiment was run. 5 BY MR. COHEN: 6 Q. Let me direct you to line -- to T3. 7 The change that's been -- that's made in 8 T3 relative to the control is that the words 9 "with Amazon Prime" have been added to the heading; 10 correct? 11 A. Correct. 12 Q. And the result was a 9.4 percent fall in the 13 signup rate? 14 A. Correct. 15 Q. And if I understand the theme of your 16 testimony, the company has no opinion as to why the 17 change adding "with Amazon Prime" would cause signup 18 rate to fall. 19 MS. WU: Objection to form. 20 THE WITNESS: We can opine on how customers 21 feel when presented with this. What this particular 22 treatment tells us is that this change in isolation 23 resulted in a decrease in signups. 24 BY MR. COHEN: 25 Q. And so did Amazon consider whether adding</p>	<p style="text-align: right;">296</p> <p>1 the answers that you provided with respect to the first 2 two treatments. You are giving me a reason why it 3 might be the case that the addition of the words 4 "with Amazon" affect consumer decision making. 5 A. Once again, in all -- in these experiments and 6 with other experiments, we can't infer how customers 7 are feeling. What I'm stating is that we have other 8 weblabs and experiments that show us when we add 9 additional text, signups can decrease, so that can be 10 one of the -- that can be one of the factors. 11 Q. So Amazon did consider that it might not be the 12 fact that consumers are more likely to understand the 13 import of the positive CTA, it might be the addition of 14 additional text that is causing the reduction in 15 signups. 16 MS. WU: Objection to form. 17 BY MR. COHEN: 18 Q. Amazon considered that? 19 MS. WU: Objection to form. 20 THE WITNESS: Once again, we don't infer how 21 customers feel when presented with a signup experience. 22 What we do know is that by adding "with Amazon Prime" 23 signups decreased. And what I'm saying is that we have 24 other experiments where we add text where signups have 25 also decreased.</p>

369

1 multipage checkout to the Java-based system, we decided
2 that with the migration of Amazon's checkout flow we
3 would jump to single-page checkout. It saved a lot of
4 development and engineering time.

5 BY MR. COHEN:

6 **Q. So the purpose of TrueSPC was to save**
7 **development and engineering time, not improve clarity.**

8 MS. WU: Objection to form.

9 THE WITNESS: The primary intent of TrueSPC was
10 to reduce engineering time as a part of Amazon's
11 migration from Gurupa to the Java-based system.

12 BY MR. COHEN:

13 **Q. It's the company's position, is it not, that**
14 **although TrueSPC didn't make clarity worse, TrueSPC**
15 **didn't improve clarity; right?**

16 MS. WU: Objection to form.

17 THE WITNESS: We didn't look at TrueSPC as a
18 clarity measure. It was a change that was required by
19 other reasons, and we decided to make changes to the
20 checkout experience.

21 BY MR. COHEN:

22 **Q. And those changes to the checkout experience**
23 **were not intended to correct any clarity issues**
24 **associated with the preceding experience; right?**

25 MS. WU: Objection to form and scope.

370

1 THE WITNESS: We believe our signup experience
2 was clear and legally compliant before as we do after
3 TrueSPC.

4 BY MR. COHEN:

5 **Q. And just --**

6 A. There's no issue to correct. That's what I'm
7 responding to.

8 **Q. Okay. So the -- that's helpful.**

9 **Some -- after May 6, 2021, it remained the case**
10 **or -- that Amazon has not made the decline CTA a button**
11 **in all aspects of Prime enrollment.**

12 MS. WU: Objection to form.

13 THE WITNESS: Sorry. Can you repeat the
14 question?

15 BY MR. COHEN:

16 **Q. I can ask it a little bit better.**

17 **So there's various pathways in which**
18 **individuals can enroll in Prime; correct?**

19 A. Correct.

20 **Q. And as we sit here today, some of those still**
21 **involve situations in which the decline CTA is not a**
22 **button but is rather a link; correct?**

23 MS. WU: Objection to form.

24 THE WITNESS: Can you be more specific as to
25 the location?

371

1 BY MR. COHEN:

2 **Q. For instance, in the Prime checkout enrollment**
3 **flow.**

4 MS. WU: Objection to form.

5 THE WITNESS: Can you also be more specific?
6 It varies by desktop versus mobile.

7 BY MR. COHEN:

8 **Q. Well, actually, maybe you could be more**
9 **specific.**

10 **Is there any point in the Prime checkout**
11 **enrollment flow where the decline CTA is still a link**
12 **rather than a button?**

13 MS. WU: Objection to form.

14 THE WITNESS: With the change of TrueSPC we
15 are rolling out those changes, and so over a period of
16 time we would have rolled out those changes. As a part
17 of TrueSPC, the negative CTA was also changed to a
18 button.

19 BY MR. COHEN:

20 **Q. So it is no longer the case that anywhere in**
21 **the Prime enrollment process the decline CTA is a link**
22 **rather than a button?**

23 MS. WU: Objection to form.

24 THE WITNESS: I'm pausing in my response
25 because it's hard for me to say in every single use

372

1 case that we've captured every single one. For our
2 main use case, which is the Prime enrollment flow, it
3 is now a button.

4 BY MR. COHEN:

5 **Q. When did that become the case?**

6 A. Again, we've tested iterations to the Prime
7 positive CTA over many years and over different
8 iterations. We've tested it, as we've discussed, in
9 buttons in multiple iterations, so it's hard for me to
10 say the exact times that the signup CTA has been a
11 button.

12 MR. COHEN: Okay. Let's mark as Exhibit 15 --
13 there's two Bates numbers here, so I'll read the first
14 one, which is AMZN-MGM-2R-003149387.

15 And I'm providing a copy to the witness, and
16 I'm going to direct you to the page of the memorandum
17 marked 4 and specifically line 104.

18 (Exhibit Number 15, AMZN-MGM-2R-003149387
19 through AMZN-MGM-2R-003149394, was marked for
20 identification.)

21 THE WITNESS: I'm sorry. Page?

22 BY MR. COHEN:

23 **Q. I think it's page 4. The top Bates number ends**
24 **9390, and I'm directing you to line 104.**

25 A. Okay.

373

1 I'm on line 104, yes.

2 **Q. So what changes -- line 104 reads, "[REDACTED]"**
3 **[REDACTED]**

4 A. That's what's stated in that line, correct.

5 **Q. [REDACTED]**
6 **[REDACTED]**
7 **[REDACTED]**
8 **[REDACTED]**
9 **[REDACTED]**
10 **[REDACTED]**
11 **[REDACTED]**
12 **[REDACTED]**
13 **[REDACTED]**
14 **[REDACTED]**
15 **[REDACTED]**

16 **And then it goes on.**

17 **Did I read that portion correctly?**

18 A. Yes, you have.

19 MS. WU: Counsel, I'm sorry to interject.

20 Could I ask for a break so that I can assess a matter
21 of privilege?

22 Just for the record, we're looking at a
23 document that was produced to the FTC by Amazon in the
24 context of a different investigation, and it is labeled
25 Privileged and Confidential.

374

1 I will be brief, but I just want to look into
2 it.

3 MR. COHEN: Take your time.

4 MS. WU: Thank you.

5 MR. COHEN: We'll excuse ourselves.

6 (Recess)

7 MR. COHEN: And before I do anything else, I
8 will turn it over to Ms. Wu to say some stuff.

9 MS. WU: Well, first of all, Counsel, thank you
10 for the break.

11 We have ascertained that the document marked as
12 Exhibit 15, which was produced in the retail
13 investigation and the MGM investigation, is an
14 inadvertent production. This document is privileged
15 and has been treated as such in the context of this
16 investigation.

17 We will follow up, consistent with our
18 conversation off the record, with a formal clawback
19 request. We understand that the parties are reserving
20 their positions with regard to this document, and we
21 appreciate that you won't question the witness with
22 regard to the context of this -- the contents of this
23 document during the balance of the IH today.

24 MR. COHEN: Let me respond with a couple of
25 agreements and clarifications.

375

1 Number one, we agree that all parties are
2 reserving their rights.

3 Number two, we did propose off the record that
4 you permit us to question the witness with respect to
5 this document and with -- under a full reservation of
6 rights, including the ability to claw back any portion
7 of the transcript that relates to the document if this
8 is ultimately ascertained to be privileged. We did
9 make that request, and that proposal or that offer was
10 declined.

11 Additionally, I did indicate -- and I'm not
12 sure that you intended to be precluding this, but I did
13 indicate and I am going to ask one, possibly two
14 additional questions that I can do without actually
15 looking at the document, in order to obtain
16 instructions, simply to make a record and preserve the
17 commission's rights in that regard.

18 So I'm going to go forward and do that, and if
19 you want to go off the record briefly and talk with
20 your client about that --

21 MS. WU: No. That's fine, Counsel.

22 What I'm going to do, and just for clarity of
23 the record, I am taking the privileged document from
24 the witness so she does not have it in front of her as
25 she's being asked these questions, and I will provide

376

1 the instruction.

2 Thank you, Counsel.

3 MR. COHEN: Okay. All right. Well, we'll
4 start with that.

5 Ma'am, I would ask that you return the document
6 to the witness for the purpose of me asking her
7 questions in order to be able to obtain an
8 instruction.

9 It's not a waiver for her to see it.

10 MS. WU: I believe it's improper to ask a
11 question based on a document which has been clawed
12 back, although provisionally, and for that reason we
13 decline to have the witness offer testimony when
14 consulting the privileged material.

15 BY MR. COHEN:

16 **Q. Are you going to follow your attorney's**
17 **instruction and not refer to Exhibit 15?**

18 A. Yes.

19 MR. COHEN: Okay. And I'll ask a couple more
20 questions. I just want to make absolutely sure the
21 best I can because we're going to get into some
22 fistfight over who's holding the document.

23 Counsel, are you waiving any right that you may
24 otherwise have that I have failed to make a sufficient
25 record of an attempt to question the witness regarding

<p style="text-align: right;">401</p> <p>1 experience and a non-modal experience?</p> <p>2 MS. WU: Objection to form.</p> <p>3 THE WITNESS: Modal is a -- similar to the word</p> <p>4 "mode," so in that customer's -- in that customer</p> <p>5 context -- so the customer context is they have not --</p> <p>6 they do not have a default billing address -- billing</p> <p>7 information, so payment instrument. They also don't</p> <p>8 have a default shipping information. On the TrueSPC,</p> <p>9 on the final page of checkout, the only page of</p> <p>10 checkout, we give the customer the option to select</p> <p>11 their billing method, their shipping address, and then</p> <p>12 we present the Prime signup experience.</p> <p>13 BY MR. COHEN:</p> <p>14 Q. So there were four videos that the FTC was</p> <p>15 provided -- and I'll save the time of marking all of</p> <p>16 the images -- about the TrueSPC experience, and two of</p> <p>17 those involved the UPDP. That's the first paragraph</p> <p>18 here. And then two of those involved TrueSPC.</p> <p>19 So do I understand correctly that UPDP is just</p> <p>20 a different mode?</p> <p>21 A. Yeah. I can clarify the distinction between</p> <p>22 these two paragraphs. The distinction is the customer</p> <p>23 state.</p> <p>24 If the customer state is that we already have</p> <p>25 default billing information and default shipping</p>	<p style="text-align: right;">403</p> <p>1 between October and November of 2022 time frame.</p> <p>2 BY MR. COHEN:</p> <p>3 Q. And is there anyone -- am I correct that by</p> <p>4 some point in November -- can you be more specific in</p> <p>5 November?</p> <p>6 MS. WU: Objection to form.</p> <p>7 THE WITNESS: It would have been within the</p> <p>8 first two weeks of November.</p> <p>9 BY MR. COHEN:</p> <p>10 Q. So by at the latest November 14 everyone in the</p> <p>11 United States would have seen either what was occurring</p> <p>12 in the first -- what's described in the first paragraph</p> <p>13 under C or what's described in the second paragraph</p> <p>14 under C; correct?</p> <p>15 MS. WU: Objection to form.</p> <p>16 THE WITNESS: Correct.</p> <p>17 BY MR. COHEN:</p> <p>18 Q. At some point in time Amazon stopped SOSP;</p> <p>19 correct?</p> <p>20 A. Correct.</p> <p>21 Q. Why did Amazon do that?</p> <p>22 A. It was a part of this migration, part of this</p> <p>23 TrueSPC. SOSP was one of the steps in the checkout</p> <p>24 process. And in order to move towards a true</p> <p>25 single-page checkout, we then instead got rid of -- we</p>
<p style="text-align: right;">402</p> <p>1 information, we don't need to ask for that on the final</p> <p>2 page, and so when the customer is checking out, we show</p> <p>3 them UPDP.</p> <p>4 For customers that do need to provide that</p> <p>5 information, we don't show them UPDP, and we instead</p> <p>6 take them to directly to TrueSPC, where we give the</p> <p>7 customer the option to select payment instrument and</p> <p>8 shipping information.</p> <p>9 Q. Okay. So I don't need to understand the word</p> <p>10 "modal" to understand the response.</p> <p>11 If I understand it correctly -- well, I mean,</p> <p>12 but let me know if I don't have this -- is it that</p> <p>13 consumers who have already put in all of their defaults</p> <p>14 get the UPDP and consumers that have not put in all of</p> <p>15 their defaults get TrueSPC?</p> <p>16 MS. WU: Objection to form.</p> <p>17 THE WITNESS: Correct.</p> <p>18 BY MR. COHEN:</p> <p>19 Q. When was TrueSPC -- when was this state of</p> <p>20 affairs that's described in this interrogatory</p> <p>21 response -- when did that become the state of affairs</p> <p>22 in the United States?</p> <p>23 MS. WU: Objection to form.</p> <p>24 THE WITNESS: The extent of the dial-up of this</p> <p>25 experience will have varied, but it would have been</p>	<p style="text-align: right;">404</p> <p>1 got rid of SOSP, the ship option selection page, and</p> <p>2 instead moved that to the checkout page.</p> <p>3 Q. Okay.</p> <p>4 Were there any other reasons why SOSP was shut</p> <p>5 down?</p> <p>6 MS. WU: Objection to form and scope.</p> <p>7 THE WITNESS: The main motivation was because</p> <p>8 of the move to TrueSPC. We were shortening -- we were</p> <p>9 reducing the multipage experience before to just a</p> <p>10 page.</p> <p>11 BY MR. COHEN:</p> <p>12 Q. You've testified as to the main motivation, but</p> <p>13 what, if any, secondary motivation was there?</p> <p>14 MS. WU: Objection. Form. Scope. Asked and</p> <p>15 answered.</p> <p>16 THE WITNESS: I can't state any -- every</p> <p>17 possible motivation. From my understanding, the main</p> <p>18 motivation is the move to TrueSPC. We went from</p> <p>19 multiple pages to one page.</p> <p>20 BY MR. COHEN:</p> <p>21 Q. Okay. Can you state any other reason for the</p> <p>22 termination of SOSP beyond what you have testified to</p> <p>23 today?</p> <p>24 MS. WU: Objection. Form. Scope. Asked and</p> <p>25 answered.</p>

<p style="text-align: right;">405</p> <p>1 THE WITNESS: No. 2 MR. COHEN: Let's go off the record. 3 (Discussion off the record.) 4 MR. COHEN: We are holding today's 5 investigational hearing open. That is over the 6 objection of counsel for the company. Their objection 7 is noted and preserved. 8 Additionally, counsel for the company has 9 requested a copy of the transcript of today's 10 proceedings. We have declined that request at this 11 time. How -- nevertheless, their request is noted, and 12 counsel is encouraged to follow up with an email, 13 although, nevertheless, it is definitely noted. 14 Third, counsel for the company has requested a 15 copy of today's exhibits, and we are providing those 16 exhibits subject to the agreement of the company that 17 the provision of those agreements [sic] is without 18 prejudice to any argument the FTC might make. 19 The final point, which is just a little 20 additional add-on, there was some colloquy earlier, 21 both some on the record and more off the record, 22 regarding time that may have been consumed or may not 23 have been consumed through speaking objections. The 24 parties reached an agreement that we would extend the 25 portion of the examination that is occurring today by</p>	<p style="text-align: right;">407</p> <p>1 DISTRICT OF COLUMBIA, to wit: 2 I, Josett F. Whalen, before whom the foregoing 3 deposition was taken, do hereby certify that the 4 within-named witness personally appeared before me at 5 the time and place herein set out, and after having 6 been duly sworn by me, according to law, was examined 7 by counsel. 8 I further certify that the examination was 9 recorded stenographically by me and this transcript is 10 a true record of the proceedings. 11 I further certify that I am not of counsel to 12 any party, nor an employee of counsel, nor related to 13 any party, nor in any way interested in the outcome of 14 this action. 15 As witness my hand and notarial seal 16 this 3rd day of February 2023. 17 18 S/Josett F. Whalen 19 JOSETT F. WHALEN 20 Notary Public 21 MY COMMISSION EXPIRES: 9-14-2025 22 23 24 25</p>
<p style="text-align: right;">406</p> <p>1 five minutes, and that did occur, so it went 2 approximately seven hours and five minutes rather than 3 seven hours. 4 That is without prejudice to any side's 5 arguments on any issue. And again, we -- you know, we 6 reserve our rights and are holding this open over the 7 objection of counsel for the defendant -- counsel for 8 the company. Nevertheless, we note that we did reach 9 an accord on that issue to go an additional five 10 minutes. 11 MS. WU: Thank you, Counsel. 12 MR. COHEN: All right. Let's go off the 13 record. 14 (Whereupon, the foregoing investigational 15 hearing was concluded at 7:33 p.m.) 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">408</p> <p>1 CERTIFICATE OF DEPONENT 2 3 4 I hereby certify that I have read and examined 5 the foregoing transcript, and the same is a true and 6 accurate record of the testimony given by me. 7 8 Any additions or corrections that I feel are 9 necessary I will attach on a separate sheet of paper to 10 the original transcript. 11 12 I hereby certify, under penalty of perjury, 13 that I have affixed my signature hereto on the date so 14 indicated. 15 16 DATED: 17 18 LISA LEUNG 19 20 21 22 23 24 25</p>

EXHIBIT 115

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.) No. 2123050

5 -----)

6

7 August 23, 2022

8

9 Investigational Hearing

10 MASUMA WALJI HENRY

11

12 Federal Trade Commission

13 Henry M. Jackson Federal Building

14 915 Second Avenue, Suite 2896

15 Seattle, Washington

16

17

18

19

20

21

22

23

24 REPORTED BY: Wade J. Johnson, RPR

25 CCR No.: 2574

Henry

Amazon.com, Inc.

8/23/2022

1 SEATTLE, WASHINGTON; TUESDAY, AUGUST 23, 2022

2 8:34 A.M.

3 --oOo--

4

5 MR. NARDINI: We are on the record.

6

7 MASUMA WALJI HENRY, witness herein, having been
8 first duly sworn on oath, was
9 examined and testified as
10 follows:

11

12 E X A M I N A T I O N

13 BY MR. NARDINI:

14 Q. Could you please state your full name.

15 A. Masuma Walji Henry.

16 Q. Good morning, Ms. Henry. My name is Max Nardini,
17 and I'm here today with my co-counsel, Jonathan Cohen. We
18 are attorneys representing the Federal Trade Commission in
19 this investigational hearing, FTC Matter No. 2123050,
20 regarding Amazon, Inc.

21 (Exhibit MH-1 marked for
22 identification.)

23 Q. I'm showing you now what has been marked as
24 Exhibit 1 -- pardon me, strike that -- MH-1, which is the
25 Civil Investigative Demand the FTC issued you, which I will

Henry

Amazon.com, Inc.

8/23/2022

1 A. That's right.

2 Q. -- call to action?

3 A. Yes.

4 Q. And as you point out, there are notes on this image
5 indicating dark patterns that could create lack of clarity
6 within this design. Is that right?

7 A. Yes. With the caveat that, again, I'm not sure all
8 of them were intentional dark pattern, but, if you really
9 wanted to give the user clarity that what they're signing up
10 for is something that is paid and they have the equal choice
11 not to sign up, you would design this page very differently.

12 Q. And so, presumably, the attendees at this meeting
13 would have been well aware of, that elements on the UPDP
14 could contribute to a lack of clarity on that page. Is that
15 right?

16 A. Yes. This is very elementary knowledge. Yeah.

17 Q. And would Amazon leadership have been aware of that
18 fact, as well?

19 A. Yes.

20 Q. And, certainly, the VPs who were on the email, who
21 you described, such as Neil Lindsay. Is that correct?

22 A. Yes.

23 Q. And, presumably, Jamil Ghani, who is a VP, as well.
24 Is that correct?

25 Strike that.

Henry

Amazon.com, Inc.

8/23/2022

1 And Neil Ghani was included on the email that
2 transmitted this document, correct?

3 A. Jamil Ghani.

4 Q. Jamil Ghani. Yes. Thank you.

5 A. Yes.

6 Q. Would you consider interstitials themselves to be a
7 form of dark patterns?

8 A. Again, it depends on the definition of a dark
9 pattern, but it's analogous -- an interstitial is analogous
10 to putting chocolate bars and celebrity magazines near the
11 checkout line when you go to the grocery store. That's
12 exactly the same, right? It's like encouragement to take
13 your attention over to something else and make a purchase.
14 That's the point of an interstitial.

15 So all of those are tactics to change behavior,
16 right, whether it's digital or not. And I think the word
17 "dark patterns" sounds more nefarious than that, but it is a
18 common consumer -- like common practice in whatever
19 consumer-based industry you are in. It doesn't necessarily
20 make it right. I'm just saying I don't think that it's so
21 different from that shopping store example.

22 Q. And would that concept that you've just described
23 be familiar to, say, Mr. Lindsay --

24 A. Yes.

25 Q. -- regarding interstitials?

Henry

Amazon.com, Inc.

8/23/2022

1 A. Yes.

2 Q. And how would you know that?

3 A. Anyone who works in software knows this. Yeah.

4 Q. Because it's this elemental concept of software
5 design or UX design?

6 A. Yes. Yes. Even if you're not from UX, you know
7 this, because your whole life you've been looking at how
8 people do or don't click on things. And even if you didn't
9 know that because you were some kind of like infrastructure
10 or operations engineer by training, you would learn that
11 quickly because you would see the data that shows that, when
12 you put design elements on it, make it color, make it
13 button-like, it's going to garner more attention.

14 Q. Did you ever hear the term "clown barf" used while
15 at Amazon?

16 A. No.

17 Q. Sort of anything could get a user's attention, even
18 if it comes out looking like clown barf?

19 A. It sounds like a software term that would be used
20 facetiously, yeah.

21 Q. Did you ever have any conversations with
22 Mr. Lindsay regarding dark patterns or the layout of the
23 UPDP?

24 A. Not me personally. But, of course, I would read
25 all papers coming from my team, knowing if he was going to be

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court
Reporter 2574 for the State of Washington
residing at Seattle, Washington.
My CCR certification expires on 09/18/22.

EXHIBIT 116

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.) No. 2123050

5

6

7 Investigational Hearing

8 NAHSHON DAVIDAI

9

10

11 Federal Trade Commission
Henry M. Jackson Federal Building
12 915 Second Avenue, Suite 2896
Seattle, Washington

13

14

15

16

17

18

19

20

21

22

23 DATE: November 30, 2022

24 REPORTED BY: Wade J. Johnson, RPR
CCR No.: 2574

25

Davidai

Amazon.com, Inc.

11/30/2022

1 SEATTLE, WASHINGTON; WEDNESDAY, NOVEMBER 30, 2022

2 8:03 A.M.

3 --oOo--

4

5 (Witness sworn.)

6

7 MR. NARDINI: We're on the record.

8

9 NAHSHON DAVIDAI, deponent herein, having been
10 first duly sworn on oath, was
11 examined and testified as
12 follows:

13

14 E X A M I N A T I O N

15 BY MR. NARDINI:

16 Q. Could you please state your full name for the
17 record.

18 A. Nahshon Davidai.

19 Q. Good morning, Mr. Davidai.

20 My name is Max Nardini. I am an attorney with
21 the Federal Trade Commission. I am also the hearing
22 officer for today's investigational hearing. I'm
23 joined here with my co-counsel, Ms. Olivia Jerjian,
24 also an attorney with the Federal Trade Commission.

25 Have you ever had your deposition taken

Davidai

Amazon.com, Inc.

11/30/2022

1 response from Mr. Grandenetti.

2 Do you see that there at the top?

3 A. I do.

4 Q. And he quotes some language, "Overall the goal
5 of both product initiatives and product testing is to
6 improve messaging clarity while not hurting signups and
7 conversion rates to 90-day paid members."

8 Did I read that correctly?

9 A. You did.

10 Q. Then he writes, "Agreed. Let's keep pushing
11 for both." Correct?

12 A. Yes.

13 Q. So, coming out of this meeting with
14 Mr. Grandenetti, there was not a decision to prioritize
15 one over the other, correct?

16 MR. ANTHONY: Objection. Foundation.

17 A. Reading through the action items, I do not see
18 a decision to prioritize one over the other.

19 Q. Indeed, his quote there and his agreement
20 seems to align with the aspiration of finding a way to
21 hit growth goals and prevent false positives.

22 Is that fair?

23 MR. ANTHONY: Object to form.

24 Foundation.

25 A. I can't speak to his intents. I can't speak

Davidai

Amazon.com, Inc.

11/30/2022

1 to his intents. But the aspiration and the action
2 items I think are clear, and they speak for themselves.

3 Q. Following the meeting with Mr. Grandenetti, do
4 you recall any clarity improvements that were
5 implemented to the Prime enrollment flow?

6 A. Going back through the recurring theme here,
7 one of the main -- maybe the main -- challenge, was
8 figuring out what is a clarity improvement. So, to
9 answer this definitively without knowing what does and
10 does not improve clarity, is hard.

11 As an example that we've discussed,
12 ASINization was viewed as a clarity improvement or a
13 potential clarity improvement. Based on the test that
14 we ran, if I recall correctly, in Japan, we did not
15 find that it improved clarity.

16 Q. Well, how about this: Coming out as a result
17 of the meeting with Mr. Grandenetti, to your knowledge,
18 were any changes made to the Prime enrollment flow?

19 A. Changes were made, were they directly linked
20 to coming out of this meeting or not. If I remember
21 correctly, we had a -- which I think there's an action
22 items on, develop a series of tests and a framework
23 through which those tests would be analyzed. If I
24 remember correctly, that has been developed, but I
25 can't remember the specifics of saying, by date X, test

Davidai

Amazon.com, Inc.

11/30/2022

1 Y did that, did this.

2 Q. I understand testing may have been initiated,
3 but what I'm really just trying to understand is, as a
4 result of this meeting, were there any permanent
5 changes made to the enrollment flow dialed up to live
6 and remaining there?

7 MR. ANTHONY: Object to the form.

8 A. To me, the challenge is the permit. Changes
9 were made, are being made, I would imagine would
10 continue to be made in a test environment. I think we
11 talked before about changes to the actual benefits or
12 to a customer's context or to regulatory environment.
13 So the permanency is a challenging one.

14 Two, the action items here, as described,
15 mostly talk about building a foundation through which
16 measurement could be done in a better way going
17 forward, much less so about any direction, thou shall
18 to X or Y.

19 Q. And it sounds like you didn't take any
20 direction, thou shall to X or Y, coming out of this
21 meeting, correct?

22 A. I do not remember any direction that was
23 specific to changes to be made to the flow one way or
24 the other, yeah.

25 MR. NARDINI: Okay. Let's go off the

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court Reporter 2574 for the State of Washington residing at Seattle, Washington.
My CCR certification expires on 09/18/23.

EXHIBIT 117

FEDERAL TRADE COMMISSION

In the Matter of:)
AMAZON.COM, INC.) No. 2123050
-----)

August 16, 2022

Investigational Hearing

REID NELSON

Federal Trade Commission
Henry M. Jackson Federal Building
915 Second Avenue, Suite 2896
Seattle, Washington

REPORTED BY: Wade J. Johnson, RPR
CCR No.: 2574

Nelson

Amazon.com, Inc.

8/16/2022

1 directing the use of compulsory process in a nonpublic
2 investigation of unauthorized charges to consumers' accounts.

3

4 (Exhibit RN-1 marked for
5 identification.)

6

7 REID NELSON, witness herein, having been
8 first duly sworn on oath, was
9 examined and testified as
10 follows:

11

12 E X A M I N A T I O N

13 BY MR. COHEN:

14 Q. Mr. Nelson, I'm placing in front of you what's been
15 previously marked as Exhibit RN-1. Can you just take a quick
16 look at that document, please, and just look up at me when
17 you're finished.

18 MR. COHEN: Laura, I have one for you if you
19 want one.

20 MS. VANDRUFF: Thank you.

21 Q. Have you seen that document before?

22 A. Yes.

23 Q. And you are here today in compliance with this
24 Civil Investigative Demand, correct?

25 A. Yes.

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 Q. Then also under Experience, you have a current
2 position where you identify your role as a principal UX
3 researcher?

4 A. Principal, yeah.

5 Q. Principal. So that's a typo?

6 A. Oh, I thought you said principled, like an
7 adjective. Is there a typo in there? Oh, I see, yeah.
8 Yeah, that's a typo. It's supposed to say -- but I'm also
9 principled, I suppose.

10 Q. Well, that's mostly what I was wondering.

11 A. Sorry.

12 Q. I said I didn't want to spend a lot of time on that
13 before.

14 A. Yeah.

15 Q. But background for a second. I couldn't resist the
16 opportunity to ask you that.

17 A. Yeah.

18 Q. For how many years were you at Amazon? It's fine
19 if you want to look at that to refresh your recollection.

20 A. How many years was I at Amazon?

21 Q. Yes.

22 A. Ten years.

23 Q. The LinkedIn profile is correct, isn't it, that you
24 were a Senior User Experience Researcher from January of 2012
25 to October of 2018?

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 A. That's not completely correct. I started as a User
2 Experiencer Researcher II from 2012 to 2014, and so then I
3 was promoted to senior. So it just seemed, when I updated my
4 title, LinkedIn did some weird tracking with the position
5 change. But the overarching job, UX researcher, was correct.
6 I just wasn't senior from 2012 to 2018.

7 Q. And then you were promoted a second time, correct?

8 A. Correct.

9 Q. To principal user experience researcher?

10 A. 2018.

11 Q. Amazon uses a system called L levels to classify
12 different employees?

13 A. Correct.

14 Q. What was the L level that you had when you started?

15 A. L5.

16 Q. And then you became an L6 subsequently?

17 A. In 2014.

18 Q. And then when you became a principal user
19 experience UX researcher, you were an L7?

20 A. Correct.

21 Q. Generally, as a principal user experience
22 researcher, just give me a nutshell version of what your
23 responsibilities were.

24 A. It's basically what I described earlier. Our
25 primary goal is to get close to users and to observe their

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 behavior in a naturalistic setting, often qualitative way in
2 nature, meaning we're doing studies on a small sample of
3 customers or non-customers and watching them in a one-on-one
4 interview setting interact with -- in my case, I was focused
5 on shopping for pretty much the entirety of the ten years.

6 So I'd watch them use some naturalistic shopping,
7 maybe on any website, make a purchase, depending on the
8 study, and sort of try to understand where and how their
9 experience could be improved upon, what their delighters
10 were, what their pain points or frustrations were.

11 I did that both in the context of the existing
12 Amazon website and experience that was live and facing the
13 mass -- the general population, as well as with sort of in
14 flight design prototype ideation concepts to try to sort of
15 flush out ways we could iterate and improve upon the design
16 before it was even built and launched out to customers.

17 Q. And some of the research you conducted concerned
18 enrollment and cancellation, correct?

19 A. Correct. Yeah.

20 Q. And is that with respect to -- some of that -- let
21 me just withdraw it.

22 Some of that was with respect to enrollment and
23 cancellation on Prime, correct?

24 A. Yes.

25 Q. Was any of that with respect to enrollment and

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 years, but I worked for a team that was focused on core
2 shopping features, which included the home page, the global
3 navigation, the nav headers, the hamburger menu, stuff like
4 that; the product page, like product details, reviews, stuff
5 like that; and checkout, the thank you page. Those are kind
6 of core areas that our organization owned from a design and
7 research standpoint.

8 Through the course of doing naturalistic research,
9 you can't skip things like watching people search for stuff.
10 So, even though we didn't own search from an organizational
11 standpoint, we would certainly watch people search for things
12 and see interesting insights with respect to search.

13 When people are going through a product page, they
14 might encounter things like related to delivery messaging or
15 Prime upsells. That would be something we would observe, as
16 well. Through the course of checkout, you might find people
17 going through Prime upsell interstitials, so we would see
18 people interact with those, as well.

19 So, while it wasn't the core focus of my
20 organizational chain, through the course of doing
21 naturalistic research, we would observe people interacting
22 with that. It was not the primary focus. I did not report
23 in to the Prime organization. So that research was much more
24 broad and holistic in nature.

25 Q. What's a customer frustration?

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 A. A customer frustration, which we also called
2 shopper frustrations -- we went through some back and forth
3 banding on that program -- it's a program that we started in
4 2014 within our organization under that kind of that core
5 shopping pillar that I was telling you about. The
6 organization is referred to as Consumer Engagement.

7 Sebastian Gunningham was our SVP at the time, kind
8 of our sponsor. And in a meeting, I think early 2014, he
9 loved all the research, loved that researchers were
10 generating insights, issues, problems to solve, but he wanted
11 us to have a closed loop process, meaning he didn't want to
12 just have us finding things and not having some sort of
13 mechanism to service those teams regularly until there was
14 some sort of answer on would they fix it or not, when could
15 they fix it, when could they prioritize the technical work
16 and the design work to solve X, Y, Z problem.

17 That request then led to the shopper frustrations
18 program. The shopper frustrations program, our main charter
19 was to have a place for researchers to pool their insights
20 and to work with the respective owning tech teams and product
21 teams to hopefully get them on a roadmap when they could fix
22 them, if they could fix them, et cetera.

23 Later -- I can't remember the exact year -- we
24 rebranded under a different VP leader from shopper
25 frustrations to customer frustrations because they wanted to

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 sort of be able to scale the program beyond just shopping
2 specific insights. So then we became the customer
3 frustrations elimination program.

4 The definition of a customer frustration or shopper
5 frustration, is effectively any insight that we may have
6 discovered through the course of doing, naturalistic or
7 observational shopping research in our case, but any research
8 for that matter, where a participant, a research participant,
9 is encountering something that is blocking them from their
10 objective or goal, whatever it may be, or creating friction
11 or difficulty or confusion in the process of attempting to
12 achieve that goal, that task, or that need.

13 Q. You mentioned the notion of pooling insights.

14 A. Mm-hmm.

15 Q. Was one of the ways in which you pooled insights
16 the creation of a database?

17 A. Correct.

18 Q. Tell me about the creation of the database.

19 A. So the database was one of the things we created
20 under the umbrella of the shopper frustration aka customer
21 frustration elimination program. To create a closed loop
22 mechanism, we needed a place to store the insights, and we
23 wanted it to be searchable and accessible, so that designers,
24 product managers, leaders could access the information in a
25 way that was relevant to them and their team, so the Search

For The Record, Inc.

(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 team could see the items related to search, the Prime time
2 could see the items related to Prime, and we could -- and
3 researchers had a place where we could, in a living and
4 breathing and dynamic way, pool our insights.

5 So, if we discover, for example, somebody had
6 difficulty finding customer reviews on the detail page, just
7 to give you an example -- it's pretty far down the page --
8 rather than having a bunch of siloed PDF documents where
9 Researcher A does some study in 2013 and then Researcher B
10 finds the same exact problem in 2014 in a different study, it
11 would -- we had a place where we could combine our insights
12 at that granular issue level, and then it would be
13 searchable.

14 Q. Whose idea was the database?

15 A. The idea of the database, again, kind of came back
16 to sort of Sebastian telling us we needed a closed loop
17 process and then our team coming together, banding together,
18 to respond to that leadership request and figuring out what
19 would be the best way to do this.

20 Q. Before I miss this, backing up an answer, you
21 mentioned this undertaking was moved to a different VP, or
22 did I misunderstand?

23 A. We were under the same SVP, but, at some point
24 along the way -- we were at originally under Llew.

25 Q. That's Llew Mason?

For The Record, Inc.

(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 comparable or similar.

2 One key differences was that there wasn't any
3 information about price or auto renewal in the German
4 version. And the reason for that was because, on the page
5 that then followed, which is the final page of checkout,
6 where you can -- or I guess the penultimate page of checkout,
7 where click place order, sort of confirms what's in your
8 order, how much it is.

9 If you had opted into Prime from the previous page,
10 that second page, the order confirmation page, is where the
11 sort of terms on pricing and auto renew show up for the
12 German version. And then the experience of -- or the
13 obligation of becoming Prime is not finalized, was not
14 finalized in the German version, until the customer clicks
15 place order. So that, if they had opted in and perhaps
16 didn't want to opt in or change their mind about their order
17 and cancelled, they wouldn't sort of still be Prime at that
18 point.

19 In the U.S., by contrast, when people finish adding
20 address and payment method and hit that Prime upsell page,
21 there would be terms and conditions. And clicking the yellow
22 button, get free one-day delivery, get free two-day delivery,
23 whatever the phrase was, it confirmed the signup action and
24 then started the obligation. So there were pricing terms,
25 et cetera, on that page.

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 If somebody did opt in from that page and then move
2 forward to the next page, or confirmation page, and then
3 decided they didn't want that order, they abandoned -- maybe
4 they were checking price, whatever -- the Prime membership
5 subscription would stick with their account, it wasn't
6 cancelled, in the way that it was cancelled in Germany.

7 Does that make sense?

8 Q. It does.

9 A. Okay.

10 Q. So I have a couple of follow-up questions about it.

11 A. Okay.

12 Q. You said a lot of important things there.

13 A. Sure. Yeah.

14 Q. I want to make sure I understood your testimony
15 correctly. I'm not trying to lead you.

16 A. Sure.

17 Q. But at this point in time, if I understood what you
18 were saying correctly, in the United States, if a customer
19 chose the Prime option during the enrollment flow but
20 subsequently abandoned her cart, she would still become
21 Prime, correct?

22 A. Correct.

23 Q. And at least during your tenure through, I believe
24 July of 2022, that remained the case, correct?

25 MS. VANDRUFF: Objection to form.

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 You may answer the question, Mr. Nelson.

2 Do you need the question read back?

3 THE WITNESS: Yeah. Could you read the
4 question back.

5 (The previous question was
6 read back.)

7 A. Meaning that, if somebody opted in but then
8 abandoned their order, they would remain Prime?

9 Q. Correct.

10 A. That was the case throughout my tenure at Amazon.

11 It was under an AB test experimentation, where some
12 percentage of the population was in that -- it was called
13 ASINization, but, at any rate -- some percent of the U.S.
14 population was in the treatment that treated Prime as an item
15 in their order, if that makes sense.

16 Q. That's what ASINization --

17 A. That would then be abandoned -- that, if an order
18 were abandoned, so too Prime. That was calls ASINization.
19 It was launched in Germany. It was in an experimental phase
20 in the U.S. I can't remember exactly which dates.

21 Did that answer the question?

22 MS. VANDRUFF: Mr. Nelson, for the court
23 reporter, can you spell -- is it ASINization?

24 Q. I can do it. Go ahead, you can do it.

25 A. A-S-I-N, all caps, the rest lower case,

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

Nelson

Amazon.com, Inc.

8/16/2022

1 i-z-a-t-i-o-n. Yeah.

2 Q. You're going to be entered into the next round of
3 the spelling bee.

4 Just for the record, can you just tell everybody
5 what is an ASIN, that is part of the word "ASINization."

6 A. Amazon Selection Identification Number. I don't
7 know. Something like that.

8 Q. Do you know why that process was called
9 ASINization?

10 A. Yes. Because they were equating a Prime
11 subscription to, as though it were an item added to your
12 cart. An ASIN is like an item on Amazon, something you would
13 add to your cart, a product.

14 Q. And a consequence of ASINization was that consumers
15 in the United States would then have the opportunity, like
16 consumers in Germany, to see the terms and conditions in
17 their cart and also remove Prime from their cart before they
18 placed their order?

19 MS. VANDRUFF: Objection to form.

20 You may answer the question.

21 A. That, what you stated, was sort of incorrect.

22 Q. Fix it for me.

23 A. They're not really in their cart at that stage.
24 They're in the order confirmation page, similar to cart,
25 but --

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I, the undersigned Washington Certified Court Reporter, pursuant to RCW 5.28.010, authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That the foregoing Investigational Hearing of the witness named herein was taken stenographically before me and reduced to a typed format under my direction;

That I am not a relative or employee of any attorney or counsel or participant and that I am not financially or otherwise interested in the action or the outcome herein;

That the Investigational Hearing, as transcribed, is a full, true and correct transcript of the testimony, including questions and answers and all objections, motions and examinations and said transcript was prepared pursuant to the Washington Administrative Code 308-14-135 preparation guidelines.



Wade J. Johnson, Certified Court
Reporter 2574 for the State of Washington
residing at Seattle, Washington.
My CCR certification expires on 09/18/22.

EXHIBIT 118

1 FEDERAL TRADE COMMISSION

2

3 In the Matter of:)

4 AMAZON.COM, INC.,) File No. 212-3050

5 a corporation.)

6 -----)

7 Wednesday, January 19, 2023

8

9 Room 10102

10 Federal Trade Commission

11 Constitution Center

12 400 7th Street, S.W.

13 Washington, D.C. 20024

14

15 The above-entitled matter came on for

16 investigational hearing, pursuant to

17 civil investigative demand, at 9:36 a.m.

18

19

20

21

22

23

24

25

Gunningham

Amazon.com, Inc.

1/19/2023

1 P R O C E E D I N G S

2 - - - - -

3 Whereupon --

4 SEBASTIAN JORGE GUNNINGHAM

5 a witness, called for examination, having been first
6 duly sworn, was examined and testified as follows:

7 EXAMINATION

8 BY MR. NARDINI:

9 Q. Okay. We're on the record.

10 Could you please state your full name for the
11 record.

12 A. Sebastian Jorge Gunningham.

13 Q. Good morning, Mr. Gunningham.

14 My name is Max Nardini. I'm an attorney with
15 the Federal Trade Commission.

16 I'm joined here today by several colleagues,
17 Olivia Jerjian to my right, who is also an attorney
18 with the Federal Trade Commission, and several
19 colleagues, Jake Frech and Ryan Zwonik, who are
20 paralegals with the Federal Trade Commission, and
21 Daniele Apanavicute, which I can also spell for the
22 record, who is another colleague of ours at the
23 Federal Trade Commission as well. And the spelling
24 there is A-P-A-N-Q-U-I-C-I-U-T-E [sic].

25 Mr. Gunningham -- oh, sorry. Oh, right.

Gunningham

Amazon.com, Inc.

1/19/2023

1 ranges for the same product, lack of clarity if
2 products are genuine/guaranteed -- leaving new customers
3 to question if purchasing is secure or if they are
4 getting the best deal."

5 Did I read that correctly?

6 A. Yes.

7 Q. Uh-huh.

8 So there's a -- there are several points
9 identified there, and I'll start with "unfamiliar
10 language."

11 How would unfamiliar language contribute to
12 Amazon shoppers experiencing friction?

13 A. I think like, you know, when you go to any site
14 and you find new language or new names, the shopper
15 takes a subsecond to try and to -- you know, to try and
16 understand what that means. And we were constantly
17 introducing new programs, and so that was -- that was
18 always, as I recall, a challenge to make sure we were
19 being clear with customers.

20 Q. So a lack of clarity, as you've described it,
21 would be a type of friction; correct?

22 MR. HALL: Object to form. Mischaracterizes
23 his testimony.

24 THE WITNESS: Not necessarily friction. Could
25 be a moment of confusion.

Gunningham

Amazon.com, Inc.

1/19/2023

1 BY MR. NARDINI:

2 Q. Would you consider -- oh, I apologize.

3 A. Okay.

4 Q. Would you consider --

5 A. Yeah.

6 Q. -- a moment of confusion to be a type of
7 friction?

8 A. Could be.

9 Q. I guess I'm thinking generally, and you can
10 tell me if you agree with this or not, as friction is
11 basically anything that impedes the customer in
12 achieving their goal.

13 Is that a fair characterization of what you
14 mean by "friction" or would you define it differently?

15 A. It varies. I mean, some things just are
16 complicated, and not everything in the world can be
17 simplified, and so in some cases there's confusion
18 that you always are going to have to manage, in some
19 cases it's confusion that you can eliminate, so it
20 vary -- it's really context by context. There's lots
21 of examples I would have thought of different --
22 different contextual reasons to have confusion and
23 friction.

24 Q. But confusion would -- even if you can't have a
25 truly -- even if it's not possible to have a -- or

Gunningham

Amazon.com, Inc.

1/19/2023

1 even, you know, advisable to have a totally
2 frictionless environment, you would agree that
3 confusion from the customer's perspective is a type of
4 friction. Is that a fair characterization?

5 MR. HALL: Object to form.

6 THE WITNESS: Yeah. Could be.

7 BY MR. NARDINI:

8 Q. Are there any circumstances in which you would
9 think confusion from the customer's perspective would
10 not be sort of fairly characterized as a type of
11 friction?

12 MR. HALL: Same objection.

13 THE WITNESS: Again, I think it's contextual.
14 If a person has never used a computer, it's going to be
15 a confusing first couple of minutes shopping online, so
16 it's very contextual again, so -- yeah, I'm not --
17 you're trying to attach the word "friction" to that. I
18 guess -- I guess that could be.

19 (Document review.)

20 BY MR. NARDINI:

21 Q. And Mr. Gunningham, I'll just note you're
22 reviewing the document, which is fine, but I didn't
23 want to interrupt you. Were you still answering or
24 were you complete?

25 A. No. I'm trying to read the second paragraph

185

Gunningham

Amazon.com, Inc.

1/19/2023

1 DISTRICT OF COLUMBIA, to wit:

2 I, Josett F. Whalen, before whom the foregoing
3 deposition was taken, do hereby certify that the
4 within-named witness personally appeared before me at
5 the time and place herein set out, and after having
6 been duly sworn by me, according to law, was examined
7 by counsel.

8 I further certify that the examination was
9 recorded stenographically by me and this transcript is
10 a true record of the proceedings.

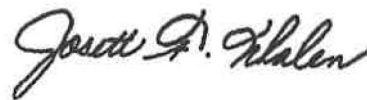
11 I further certify that I am not of counsel to
12 any party, nor an employee of counsel, nor related to
13 any party, nor in any way interested in the outcome of
14 this action.

15 As witness my hand and notarial seal
16 this 2nd day of February 2023.

17

18

19



20

JOSETT F. WHALEN

21

Notary Public

22

MY COMMISSION EXPIRES: 9-14-2025

23

24

25

For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

EXHIBIT 119

From: Brightman, Jason [/o=Amazon/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=brightmab93]
Sent: 5/22/2018 4:09:08 PM
To: Brightman, Jason [brightma@amazon.com]; Lindsay, Neil [nlindsay@amazon.com]; Carrel, David [dcarrel@amazon.com]; Mittal, Pranav [pranavm@amazon.com]; Patrikios, Jay [jaypat@amazon.com]; Smith, Cami [camism@amazon.com]; Hills, Benjamin [bhills@amazon.com]; White, Teddy [thwhite@amazon.com]; Lin, Jonny [jonatl@amazon.com]; Ressmeyer, Karen [karenr@amazon.com]; Tuladhar, Praju [tuladhar@amazon.com]; Burghardt, Jake [jbu@amazon.com]; Gotschall, Mary Pat [marypat@amazon.com]; Hamel, Andrew [ahamel@amazon.com]; Patrao, Jason [jpatrao@amazon.com]; Nelson, Reid [reidn@amazon.com]; Sambrook, Roger [brookrog@amazon.com]; Gunter, Sarah Jane [gunter@amazon.com]; Grimes, Eric [ewg@amazon.com]
CC: Fuller, Dan [danfull@amazon.com]; Sibay, Cem (Jem) [cems@amazon.com]; Honore-Jones, Philippe [honorejp@amazon.com]
Subject: Prime Deep Dive: Customer Frustrations (Privileged | Confidential)
Attachments: Appendix_Top_Customer_Frustrations_Planning (Privileged Confidential).docx; Top_Customer_Frustrations_Planning (Privileged Confidential).docx
Location: Triumph East 03.106
Start: 6/15/2018 2:00:00 PM
End: 6/15/2018 3:00:00 PM
Show Time As: Busy

Required Attendees: Lindsay, Neil; Carrel, David; Mittal, Pranav; Patrikios, Jay; Smith, Cami; Hills, Benjamin; White, Teddy; Lin, Jonny; Ressmeyer, Karen; Tuladhar, Praju; Burghardt, Jake; Gotschall, Mary Pat; Hamel, Andrew; Patrao, Jason; Nelson, Reid; Sambrook, Roger; Gunter, Sarah Jane; Grimes, Eric
Optional Attendees: Fuller, Dan; Sibay, Cem (Jem); Honore-Jones, Philippe

In an April 19 review of the Customer Frustrations Elimination program, Neil asked a Deep Dive on status of Prime-related frustrations.

In this meeting, we will discuss status of projects to address Top frustrations, 2018 plans, and next steps.



Top_Customer_F... Appendix_Top_C...
 (Privileged Confi... (Privileged Confi...



Required attendees:

Sarah Jane Gunter
 Cem Sibay
 David Carrel
 Pranav Mittal
 Jay Patrikios
 Cami Smith
 Benjamin Hills
 Teddy White
 Jonny Lin
 Karen Ressmeyer
 Praju Tuladhar
 Jake Burghardt
 Mary Pat Gotschall

Optional attendees:

Neil Lindsay
Andrew Hamel
Jason Patrao
Reid Nelson
Roger Sambrook

What is the Frustrations program?

Customer Frustrations Elimination is a consumer-wide initiative to promote customer obsession. Since 2014, 24 experiments that referenced and resolved customer frustrations generated [REDACTED] annualized OPS across teams, with accumulated results annualized for 1 year (<https://tiny.amazon.com/1ex4jkaod>). Based in CXT, the Frustration program's mission is to drive toward a zero-frustration shopping experience that customers love, closing the loop on customer frustrations.

What goals is the program flash reporting against?

CLT Goal: Eliminate at least 70% of frustrations in top 3 most frustrating customer themes ('Prime-related frustration,' 'Finding Lowest Item Price,' 'Not Receiving Free Shipping') worldwide by Dec 31, 2018.

Team Goal: Drive improvements against at least 50 frustrations within the Top 4-10 customer frustrations themes by Dec 31, 2018.

Where can I learn more?

Frustrations program overview: <https://tiny.amazon.com/y8rgjyht>

Top 10 customer frustration themes, including videos of customers and links to insight tickets:
<https://tiny.amazon.com/qwfuha6t>

EXHIBIT 120

From: Qiao, Fang [/O=AMAZON/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=FF2762941D824B14AEC1755C3F13F238-FANGQIAO]
Sent: 10/28/2020 10:54:28 AM
To: Moeller, Caroline [cmmoell@goodreads.com]; Ghani, Jamil [ghanijam@amazon.com]; Davidai, Nahshon [ndavidai@amazon.com]; Leung, Lisa [lileung@amazon.com]; Balakrishnan, Sanjay [bsanjay@amazon.co.uk]; Baidwan, Nikki [nikbai@amazon.com]; Malhotra, Neel [neelmal@amazon.com]; Schmitz, Erik [eschmitz@amazon.lu]; Kremer, Susan [skremer@amazon.com]; meet@chime.aws; pin+6410875480@chime.aws; Srinivasan, Bharath [bharaths@amazon.com]; Lahood, Simone [lahood@amazon.com]; Maceratesi, Federico [maceratf@amazon.lu]; Morey, Rex [rexford@amazon.com]; Hills, Benjamin [bhills@amazon.com]; Hankin, Jediah [jediahh@amazon.com]
Subject: RE: Clarity Working Group: October Review [Privileged and Confidential]
Attachments: 20201028_Prime_Clarity_Score_P&C_vF.docx

+ Adding Rex, Ben & Jediah

From: Qiao, Fang
Sent: Wednesday, October 28, 2020 10:50 AM
To: Moeller, Caroline <cmmoell@amazon.com>; Ghani, Jamil <ghanijam@amazon.com>; Davidai, Nahshon <ndavidai@amazon.com>; Leung, Lisa <lileung@amazon.com>; Balakrishnan, Sanjay <bsanjay@amazon.co.uk>; Baidwan, Nikki <nikbai@amazon.com>; Malhotra, Neel <neelmal@amazon.com>; Schmitz, Erik <eschmitz@amazon.lu>; Kremer, Susan <skremer@amazon.com>; meet@chime.aws; pin+6410875480@chime.aws; Srinivasan, Bharath <bharaths@amazon.com>; Lahood, Simone <lahood@amazon.com>; Maceratesi, Federico <maceratf@amazon.lu>
Subject: RE: Clarity Working Group: October Review [Privileged and Confidential]

+ Susan, seeking legal guidance.

Team – Please see attached document on clarity score for review today. Thanks –Fang

-----Original Appointment-----

From: Moeller, Caroline <cmmoell@goodreads.com>
Sent: Wednesday, July 8, 2020 3:34 PM
To: Moeller, Caroline; Ghani, Jamil; Davidai, Nahshon; Leung, Lisa; Balakrishnan, Sanjay; Baidwan, Nikki; Malhotra, Neel; Schmitz, Erik; Kremer, Susan; Qiao, Fang; meet@chime.aws; pin+6410875480@chime.aws; Srinivasan, Bharath; Lahood, Simone; Maceratesi, Federico
Subject: Clarity Working Group: October Review [Privileged and Confidential]
When: Wednesday, October 28, 2020 11:00 AM-12:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: Meeting ID: 9829 24 3191

Updating to 10/28 due to Prime Day conflicts

Updating Attendees

This is a recurring forum for leadership to review clarity progress, align on launch decisions, and provide guidance for ongoing clarity workstreams. Agenda to be shared prior to the meeting.

----- Amazon Chime Meeting Information -----

You have been invited to an online meeting, powered by Amazon Chime.

Download Amazon Chime at <https://aws.amazon.com/chime/download>

For information about creating an Amazon Chime account, see <https://aws.amazon.com/chime/getting-started>

Click to join the meeting: <https://chime.aws/9829243191>

Meeting ID: 9829 24 3191

A headset is recommended or you may use your computer's microphone and speakers.

Call in using your phone:

United States Toll-Free: +1 855-552-4463

Meeting ID: 9829 24 3191

One-click Mobile Dial-in (United States Toll-Free): +1 855-552-4463,,,9829243191#

United States (1): +1 206-462-5569

International: <https://chime.aws/dialinnumbers/>

Dial-in attendees must enter *7 to mute or unmute themselves.

To connect from an in-room video system, use one of the following Amazon Chime bridges:

SIP video system: [9829243191@meet.chime.in](https://chime.aws/9829243191@meet.chime.in) or meet.chime.in

H.323 system: 13.248.147.139 or 76.223.18.152

If prompted enter the Meeting PIN: 9829243191#

----- End of Amazon Chime Meeting Information -----

EXHIBIT 121

From: Nelson, Reid [/o=Amazon/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=reidn]
Sent: 2/9/2021 1:09:04 PM
To: Ong (Design Tech), Tim [timong@amazon.com]; Gotschall, Mary Pat [marypat@amazon.com]
Subject: Re: Clarity workstream

Will do. Thanks Tim.

From: "Ong (Design Tech), Tim" <timong@amazon.com>
Date: Tuesday, February 9, 2021 at 1:08 PM
To: "Nelson, Reid" <reidn@amazon.com>, Mary Pat Gotschall <marypat@amazon.com>
Subject: Re: Clarity workstream

Yes, please include Debbie as much as possible.

From: "Nelson, Reid" <reidn@amazon.com>
Date: Tuesday, February 9, 2021 at 11:40 AM
To: "Ong (Design Tech), Tim" <timong@amazon.com>, Mary Pat Gotschall <marypat@amazon.com>
Subject: Re: Clarity workstream

[reducing audience]

Hey Tim,

Thanks again for pulling Steven and Nathan into the clarity work stream, they've done some really great work so far!

So as Katey called out below, the CWG meeting is getting rescheduled for a TBD later date, but Llew and Jamil have aligned on a design collaboration in the short-term. For both sign-up as well as cancellation CX. It sounds like Katey would like Rio to continue participating in that collab.

I will set up a kickoff meeting with the relevant folks in Prime + Shopping Design for us to talk through the engagement model and workback schedule. Should I include Debbie in the kickoff to help organize the Rio team's efforts in this work stream?

Thanks so much!
Reid

From: "Muus, Katey" <kateymuu@amazon.com>
Date: Monday, February 8, 2021 at 2:18 PM
To: "Nelson, Reid" <reidn@amazon.com>, "Ong (Design Tech), Tim" <timong@amazon.com>, "Pizzutelli, Antonio" <pantonio@amazon.com>, "Edelstein, David" <edelstei@amazon.com>, Mary Pat Gotschall <marypat@amazon.com>, "Morgan, AmyLeigh" <amyleigh@amazon.com>, "Jensen, Gloria" <glojen@amazon.com>, "Neuman, Steven" <neumansn@amazon.com>, "Magnusson, Nathan" <magnun@amazon.com>, "Ogborn, Ryan" <ogborn@amazon.com>, "Teska, Danielle" <teskad@amazon.com>
Subject: Re: Clarity workstream

Forgive the double send, I didn't capture all recipients.

Hi team,

I am very excited about the work that was shown this morning, thank you all!

Llew and Jamil agree that there is work to be done before exhausting experimentation as a way to find the right balance for customers. They do not feel there is a debate to be framed **for C-team** at this time, and **are cancelling the review**. Llew is pleased with the work this team has driven so far, "I do think we've helped the Prime team think differently about this (the metrics point), and I do want us to partner to help here on the design side. I think there are possible wins without big sacrifices."

Please move forward with the design work and mock doc in progress, with a shifted audience of the teams that directly support these workstreams. Bonus: This buys us more time. **Jamil is interested in simplifying the cancel flow** – now that we have time it would be great to make recommendations for best practices for copy and design for cancellation. In addition, Reid – please continue to see what threads you can pull on with data, I think GCCP is an interesting direction to explore.

Could this group could put together a workback schedule for reviewing at the Director level with Prime and myself? (I'm not sure who the right Director from Prime is?)

Thank you!

EXHIBIT 122

From: Nelson, Reid [/o=Amazon/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=reidn]
Sent: 8/20/2020 12:35:01 PM
To: Moeller, Caroline [cmmoell@goodreads.com]; Remien, Sonja [sonkle@amazon.de]; Dunn, Marla [mpdunn@amazon.com]
Subject: RE: Privileged and Confidential: Prime Subscription Clarity Doc
Attachments: Privileged and Confidential Prime Clarity Review.pdf

--retaining privilege--

Adding Sonja for visibility on Prime's latest approach to Clarity. Of particular relevance is the section in the attached document on "measuring high confidence sign ups".

(Thanks again for sending this Caroline)

From: "Moeller, Caroline" <cmmoell@goodreads.com>
Date: Wednesday, August 12, 2020 at 11:38 AM
To: "Nelson, Reid" <reidn@amazon.com>, "Morgan, AmyLeigh" <amyleigh@amazon.com>, "Edelstein, David" <edelstei@amazon.com>, "Kremer, Susan" <skremer@amazon.com>
Subject: Privileged and Confidential: Prime Subscription Clarity Doc

Hi Reid, Amy Leigh, and David,

As Jamil alluded to in his response yesterday, please find attached a P&C document that we (incl Jamil, Sanjay, Nahshon, Nikki) reviewed with Llew Mason and Jody Biggs yesterday. This is a slightly updated version of the doc we had previously reviewed with Neil Lindsay on 7/24, outlining our learnings on implementing clarity, Prime's mental model for clarity moving forward, and planned 2020/2021 initiatives across content and product.

The review with Neil went very well, and Neil was aligned that we need to reset our clarity bar, and that 2020 is a great year to do so given positive business performance. Sharing this document for visibility into the internal conversations we are having including the changes we plan to make in 2020. As I mentioned last week, the blocker in Prime has not been *testing* clarity initiatives, but rather 1) getting buy in to make dial up decisions across all templates/locations with a significant negative impact to paid members 2) getting confirmation that these changes *actually* improve clarity 3) implementing these changes consistently (across all of the [REDACTED] UPDP templates, across all locales as each have separate leadership chains).

Thanks and please reach out with any questions or feedback,

Caroline Moeller
 Content Experimentation, Prime
cmmoell@amazon.com



EXHIBIT 123

Privileged & Confidential: Prime Framework for Clarity

Overview:

The Prime team manages high visibility locations across Amazon's site that inform and encourage prospective Prime members to join Prime, and Prime members to discover their benefits and manage their membership. As evidenced by open customer frustrations tickets and CS contacts related to clarity issues, customers can be frustrated and confused by some of these experiences. One prominent example is the full page Prime signup interstitial that appears during checkout (UPDP), which is leading some customers to sign up for Prime without intending to do so. Over the past few years we have invested material efforts in tackling this issue as part of a broader effort to improve clarity in Prime CX by running content tests, analyzing customer surveys, diving into CS contacts, leveraging User Testing to scale direct customer research, and launching product improvements (e.g. ASINization). However, clarity can be difficult to measure and operationalize at scale, and it is challenging to directly impact business metrics (e.g. memberships, subs revenue) without simultaneously demonstrating how we are improving outcomes from customers. Therefore, in spite of good intentions and a number of actions we have taken in the previous three years, we have not made enough sustained progress to improve clarity in the Prime membership experience. Our overall learning from this effort is that in order to make meaningful progress on the topic, we need i) a mental model that allows us to operationalize clarity into our business inputs at scale; and ii) mechanisms that allow us to iterate on the specific problems we are solving as we uncover new defects. The purpose of this document is to share a brief overview of our learnings thus far and our forward looking mental model for improving clarity across Prime owned locations. We would like to discuss our planned approach for enhancing clarity across the Prime CX and how Prime can work with partner teams such as Customer Journeys (CJ) to maintain the highest bar on customer experience while driving the best outcomes for Amazon.

Section 1: Insights from actions so far

- 1.1 **We have accumulated a significant clarity debt that we need to start paying down:** Customer anecdotes suggest that the Prime CX does not meet an acceptable clarity bar for many customers. The top issues surfaced through channels such as customer contacts, customer frustrations, user studies, and social media are that customers are not always aware that they are signing up for Prime, and they find it difficult to get information and proceed with membership cancellation if they wish to do so. █% of respondents of the Prime cancel survey for H1 2020 indicated "I didn't mean to sign up for Prime" and █ of the █ Prime customer frustrations are related to unintended Prime signups (See Appendix A). Several user tests we conducted on our checkout upsells resulted in at least █ customer from the test groups either not aware they joined Prime or not able to find the option to decline the FT. We need to take immediate action to address these pressing CX issues.
- 1.2 **Our understanding of clarity does not always match customers' perception.** In spite of well-intended efforts at creating and enforcing clarity guardrails, some of the hypotheses developed internally to improve clarity have turned out not to be correct. Two examples: first, the hypothesis behind our push for Prime ASINization was that by adding Prime as an ASIN to the shopping cart on single page checkout (SPC), we can increase visibility into the Prime purchase and provide customers the option to remove the subscription. However, in customer research studies, we found that customers didn't notice the added ASIN as part of their order or didn't realize that they can remove it. Second, a common feedback on the Prime upsell interstitial in checkout is that the negative CTA (Decline option) is not as prominent as the positive CTA. In DE, we tested a treatment where we added a box around the decline option to make it more prominent. However, user testing revealed that even more customers had trouble identifying the decline option with this treatment. Therefore, we cannot rely on internal perspectives alone to develop clarity improvements and must actively solicit and incorporate user feedback in developing and validating experiment hypotheses.
- 1.3 **Thus far we have launched clarity improvements in an ad hoc and sporadic manner.** So far, all initiatives to improve clarity have been focused on isolated elements of the CX. Project Lucent was entirely focused on content updates on specific locations and ASINization was a single product improvement in checkout without corresponding content enhancements throughout the checkout flow. Both initiatives had a significant negative short-term impact on signups without any measurable improvements in awareness, engagement or yield and therefore, were not rolled out fully. By examining each of these changes in isolation, we miss the opportunity to evaluate improvements and impact across the entire customer sign-up journey. A customer has various touch points with our CX, therefore we must view clarity as a holistic journey covering the entire experience from ingress to the desired end point.
- 1.4 **We need to consider revolutionary vs. evolutionary approaches.** We have been working under the assumption that the Prime full page interstitial in checkout, Prime Universal Decision Page (UPDP), is our most important acquisition location

(driving █% of WW signups) and have been making incremental changes to the location by modifying CTAs and benefits. For instance, an experiment on UPDP Free Trial Desktop in the US in Jan 2020 where we enhanced clarity of CTAs led to a █% drop in signups(Appendix C). However, in a recent experiment in the UK on mobile Free-Trial we tested the impact of removing UPDP entirely from the checkout flow (Appendix D). This led to a █% impact on Prime signups (with █% on OPS), suggesting that some signups lost from UPDP would be picked up on other checkout locations, and as such, the standard metrics overstate the real incrementality of UPDP. While we do not accept solutions that will lead to a loss of Prime members, we take this experiment as an indication that by considering bold changes in our customer flows, we can create win-win solutions that are net neutral or positive in business impact while improving the overall CX.

Section 2: Approach to clarity moving forward

2.1 – Vision: Our North Star is to have 100% of our member base feel informed about and be aware of their membership status (“I know I have joined Prime, a paid subscription program and am aware how much I’m paying and when”). We aspire to achieve this vision through guidelines and tenets coupled with a clear measurement framework.

2.2 Tenets for Clarity (unless you know better):

1. **We are proud of the Prime CX.** We believe in Prime’s value proposition, and communicate all aspects of the membership clearly to customers.
2. **We optimize for aggregate measures, but pay attention to customer-level defects.** When there is a conflict between aggregated metrics and anecdotes, we prioritize customer anecdotes to resolve concerns for small customer segments.
3. **We will not trade-off long term improvements for short-term results.** We work relentlessly to identify root causes, and are empowered to implement remediation even at a significant short term cost. While initial results may be negative, we will find ways to mitigate impact to business goals.
4. **Clarity is contextual and we do not force a one size fits all approach globally.** We will work with global teams to build localized guidelines and solutions where relevant.
5. **We do not view clarity as a one-time exercise.** We view clarity as a core pillar of member trust and will develop mechanisms to continually monitor and improve across all aspects of our CX.

2.3 Measurement and enforcement:

We view clarity as an ongoing workstream across multiple teams in Prime, akin to Risk, as opposed to ad hoc actions meant to address specific customer frustrations. Our intent is to create an ‘as automated as possible’ approach to clarity measurement and enforcement, grounded in common tenets / guidelines, that will be scaled WW.

WW Guidelines and Automated Enforcement: We have partnered with the Prime design team (GPX) to develop a set of clarity guidelines that will be applied to all new content experiments (See Appendix E). We will continually vet and refine these guardrails based on customer feedback to validate that these changes are improving our experience for customers. These guidelines will be enforced through an automated QA process which will flag treatments that lack clarity guardrails such as price prominence, decline buttons, or Prime logos. (Phase 1 launch 9/30). Additionally we will work with GPX and Brand teams to codify UX building blocks for content locations in Content Catalog, which would mean, for example, that marketers no longer have the ability to change a button into a link or include four buttons on one page.

Clarity Bar Raisers: To manage this program and monitor clarity’s impact to the business over time, we are starting a monthly clarity working group as a forum for Prime leadership to discuss clarity metrics, review recent clarity experiment results, and make dial up decisions. To ensure we are regularly reviewing our holistic CX for clarity, we have instituted a monthly global walk the store series for Prime where we audit recent content and product winners to ensure we are enhancing the CX with key launches.

Clarity Score: To measure continuous progress on this front, we propose creating a Clarity Score that we will report as a Defects Per Million metric to indicate how confident we are that members are aware of their membership status. We will create this score as a ‘level of confidence’ metric, based on a combination of Exposure (saw Prime messages >= X times), Interaction (Clicked/Swiped Prime messages), Confirmation (explicitly signaled they know they are Prime, e.g. by visiting Prime Central and changing their settings OR selected the Prime filter on the Search page), and Denial (explicitly signaled that they did not think they were Prime, e.g. via CS contacts or onboarding widget responses). We will qualify our member metrics with this confidence

score, and set OP2 goals that align clarity and business goals, (e.g. OP2 goal to achieve 180MM *high confidence* Prime member balance by 12/31'

2.4 Planned Actions for 2020 HY2 and 2021:

Pre-Sign Up

As part of 2021 OP1, we are proposing a redesign for Prime upsells in checkout. Our goal with this project is to revamp the end to end upsell experience in checkout to be more personalized and engaging for customers, enabling them to complete checkout with minimal friction and to opt into Prime fully informed about how Prime can enhance their Amazon experience. We have ongoing experiments that will inform the vision for this overall redesign. First, as mentioned previously, we are encouraged by initial results from the UK UPDP mobile Free Trial suppression test, and plan to expand this experiment to other use cases and locales. Secondly, we are working with the Customer Journeys (CJ) team to dial up a desktop True Single Page Checkout flow in the US, measuring impact to GCCP and Prime signups when we simplify the steps in the checkout flow, testing versions with UPDP and without (ETA: 8/15).

In H2 2020, while we experiment with longer term solves, our first priority is to update the CTAs on UPDP, which we believe to be one of the biggest customer pain points. This location drives 2x more mistaken signups than SPC and 4x more than SOS, and has low member yield (25% of signups vs 8% of members). We will update the positive CTA so customers understand they are starting a Prime membership by clicking the button and make the Decline CTA easier to find (e.g. by replacing the text link with a button). We are prioritizing this update due to the prominence of this interstitial in checkout and its impact on mistaken signups. This CTA change in UPDP will be locale-specific, based on insights from User Tests and locale-specific legal guidance with the aim to complete these in 2020. In JP, we are continuing to experiment with checkout ASINization, so that customers who do not complete checkout after signing up on UPDP will not become Prime members, but the Prime ASIN will persist in their cart (initial rollout dialed up on 8/6).

Post Sign Up:

Within the Prime activation experience, we will create interactive member confirmation experiences which will allow members to let us know that they realize they are Prime (or not), which can then feed our inspection metrics and ML models to inform further content refinements. We also plan to expand outbound membership notifications, including sending SMS for sign up confirmations to specific customer cohorts, and sending proactive membership renewal notifications to members with 0 or one-time benefit usage. Additionally, we plan to add links to Prime Central on signup confirmation pages to allow customers to correct mistaken signups. In H2 2020, we are enhancing the membership summary widget within the Prime Welcome Email to make it clear how customers will be charged for Prime (ETA 8/15).

Ease of cancellation is a related area we are focused on. Within the cancellation process, we want to simplify the experience for members of all tenures by helping them easily find the cancel flow and reducing clicks to cancel. We see personalization and automation as the long term solve for enhancing the cancellation CX while mitigating business impact, and will make it even easier for high-cancellation-propensity members to discover the cancel flow (as identified by an ML model based on Ret score). In H2 2020, we plan to make all cancel buttons above the fold in Iliad (first experiment launched 7/22), and we will also create unique customer cancellation journeys based on tenure and Prime experiences (UK launch 8/22).

Section 3: FAQs

1. How is this attempt at clarity different from efforts in the past that were not implemented globally?

Past efforts to fix the long standing CX issues described in this document have stalled due to the i) negative short-term impact they had on signup and membership volumes and ii) lack of a sustained mechanism to ensure progressive implementation of changes. We continue to be concerned about the short term business impact of the changes we are proposing. We estimate a 2020 impact of -710K members based on our prioritized initiatives (see Appendix F for annualized estimates). Even with this immediate impact, we believe strongly that we need to start taking action to fix these gaps and that we have a unique opportunity to do so in 2020 due to the tailwinds provided by COVID-19. As of June 2020, we are exceeding Prime OP2 goals and we have aligned with Prime leadership that we will invest some of this exceedance to plan into clarity, starting with UPDP.

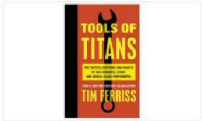
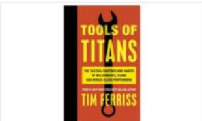
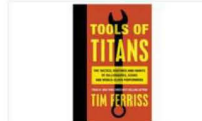
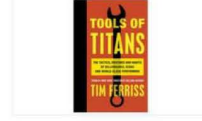
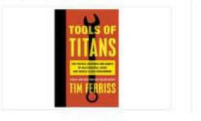
In addition, we are now adopting a programmatic approach to clarity, with a single threaded leader who will take goals and lead clarity efforts across Prime. To ensure changes are actually working for customers, we have implemented a strong voice of the customer program as the cornerstone of our clarity enhancements. Each initiative is first shared with customers for feedback and confirmation that it enhances clarity, then launched as an experiment to measure the

EXHIBIT 124

Prime Account CX Satisfaction - Privileged & Confidential

confirmation options post signup to ensure members are aware of their Prime trial or subscription (see Appendix C for mocks, ETA 5/14). However, we acknowledge that this is a gradual approach that leaves a gap in our CX that continues to surface as a key source of customer frustration. If this slow approach and current CX are not acceptable, we would like to discuss if we are willing to budget a loss on business metrics (and how much) to invest in the CX. We have outlined some options below for immediate changes that we can make to UPDP along with estimated impact of these changes . We seek alignment on the options we should pursue and the timing of these changes globally.

Commented [MOU17]: Nice work on these – love to see the “a la carte” menu of improvements. The only thing I think that’s missing is the estimated impact each has on customer-focused metrics. For example, the options that change the CTAs will likely have the largest improvements to CS cancel contacts for SIC unintended.

Control	Option 1 : 1) add price at renewal near positive CTA and 2) update language fort decline CTA, keeping as a link Estimated Impact: -2MM estimated paid members annualized worldwide																
<div><p>Amazon Customer, we're giving you a 30-day FREE trial of Prime.</p><p>Receive eligible items Monday, July 21 by 4pm with Prime</p><p>Your top Prime eligible item in cart:</p><div></div><p>No thanks, I don't want FREE delivery</p><p>Your Prime benefits include:</p><table><tr><td>Delivery Speed</td><td>prime</td></tr><tr><td>Same-Day Delivery (in select cities)</td><td>FREE</td></tr><tr><td>One-Day Delivery</td><td>FREE</td></tr><tr><td>Two-Day Delivery</td><td>FREE</td></tr></table><p>Save \$99 on your Prime eligible items with FREE Premiums and on this order.</p><p>Get FREE Premiums and</p><p>Enjoy Prime FREE for 30 days</p></div>	Delivery Speed	prime	Same-Day Delivery (in select cities)	FREE	One-Day Delivery	FREE	Two-Day Delivery	FREE	<div><p>Amazon Customer, we're giving you a 30-day FREE trial of Prime.</p><p>Receive eligible items Monday, July 21 by 4pm with Prime</p><p>Your top Prime eligible item in cart:</p><div></div><p>No Thanks</p><p>Your Prime benefits include:</p><table><tr><td>Delivery Speed</td><td>prime</td></tr><tr><td>Same-Day Delivery (in select cities)</td><td>FREE</td></tr><tr><td>One-Day Delivery</td><td>FREE</td></tr><tr><td>Two-Day Delivery</td><td>FREE</td></tr></table><p>Save \$5.99 on your Prime eligible items with FREE One-Day Delivery on this order.</p><p>Get FREE One-Day Delivery</p><p>Auto-renews at \$12.99/month. Cancel anytime</p></div>	Delivery Speed	prime	Same-Day Delivery (in select cities)	FREE	One-Day Delivery	FREE	Two-Day Delivery	FREE
Delivery Speed	prime																
Same-Day Delivery (in select cities)	FREE																
One-Day Delivery	FREE																
Two-Day Delivery	FREE																
Delivery Speed	prime																
Same-Day Delivery (in select cities)	FREE																
One-Day Delivery	FREE																
Two-Day Delivery	FREE																
Option 2 : 1) add price at renewal near positive CTA, adding Prime into positive CTA button and 2) update language from decline CTA and 3) Test positive CTA language options, adding Prime to positive CTA or “Start your 30 day FREE trial” Estimated Impact: -4MM-5MM estimated paid members annualized worldwide																	
<div><p>Amazon Customer, we're giving you a 30-day FREE trial of Prime.</p><p>Receive eligible items Monday, July 21 by 4pm with Prime</p><p>Your top Prime eligible item in cart:</p><div></div><p>No Thanks</p><p>Your Prime benefits include:</p><table><tr><td>Delivery Speed</td><td>prime</td></tr><tr><td>Same-Day Delivery (in select cities)</td><td>FREE</td></tr><tr><td>One-Day Delivery</td><td>FREE</td></tr><tr><td>Two-Day Delivery</td><td>FREE</td></tr></table><p>Save \$5.99 on your Prime eligible items with FREE One-Day Delivery on this order.</p><p>Get FREE Prime Delivery</p><p>Cancel anytime. Auto-renews at \$12.99/month</p></div>	Delivery Speed	prime	Same-Day Delivery (in select cities)	FREE	One-Day Delivery	FREE	Two-Day Delivery	FREE	<div><p>Amazon Customer, we're giving you a 30-day FREE trial of Prime.</p><p>Receive eligible items Monday, July 21 by 4pm with Prime</p><p>Your top Prime eligible item in cart:</p><div></div><p>No Thanks</p><p>Your Prime benefits include:</p><table><tr><td>Delivery Speed</td><td>prime</td></tr><tr><td>Same-Day Delivery (in select cities)</td><td>FREE</td></tr><tr><td>One-Day Delivery</td><td>FREE</td></tr><tr><td>Two-Day Delivery</td><td>FREE</td></tr></table><p>Save \$5.99 on your Prime eligible items with FREE One-Day Delivery on this order.</p><p>Start your 30-day FREE trial</p><p>Cancel anytime. Auto-renews at \$12.99/month</p></div>	Delivery Speed	prime	Same-Day Delivery (in select cities)	FREE	One-Day Delivery	FREE	Two-Day Delivery	FREE
Delivery Speed	prime																
Same-Day Delivery (in select cities)	FREE																
One-Day Delivery	FREE																
Two-Day Delivery	FREE																
Delivery Speed	prime																
Same-Day Delivery (in select cities)	FREE																
One-Day Delivery	FREE																
Two-Day Delivery	FREE																
Option 3: 1) add renewal price near positive CTA, 2) update language for positive CTA (test options above) 3) make negative CTA a button with updated language																	
<div><p>Amazon Customer, we're giving you a 30-day FREE trial of Prime.</p><p>Receive eligible items Monday, July 21 by 4pm with Prime</p><p>Your top Prime eligible item in cart:</p><div></div><p>No thanks</p><p>Your Prime benefits include:</p><table><tr><td>Delivery Speed</td><td>prime</td></tr><tr><td>Same-Day Delivery (in select cities)</td><td>FREE</td></tr><tr><td>One-Day Delivery</td><td>FREE</td></tr><tr><td>Two-Day Delivery</td><td>FREE</td></tr></table><p>Save \$5.99 on your Prime eligible items with FREE One-Day Delivery on this order.</p><p>Start your 30-day FREE trial</p><p>Cancel anytime. Auto-renews at \$12.99/month</p></div>	Delivery Speed	prime	Same-Day Delivery (in select cities)	FREE	One-Day Delivery	FREE	Two-Day Delivery	FREE									
Delivery Speed	prime																
Same-Day Delivery (in select cities)	FREE																
One-Day Delivery	FREE																
Two-Day Delivery	FREE																

Amazon Privileged & Confidential 4

Prime Account CX Satisfaction - Privileged & Confidential

Cancel Flow:

There were ████████ WW member cancel initiations in 2020 WW, of which ████████% are online and ████████% though CS. ████████% of members who enter the online cancellation flow end up staying with Prime (██████). The online cancellation process features a flow that presents pertinent information to members such as alternate plan types or options (e.g. monthly vs annual, or pausing the membership instead of canceling) and additional information relevant to the customer's membership (e.g. Prime benefits, next billing date, billing reminders). Customers enter the cancellation flow by clicking on 'end my membership' within the Prime management page. Through CS contact mining, cancel survey free form text, and customer studies, we are aware that some customers find the online cancellation flow hard to find and navigate. Further, some customers in customer focus groups and UX studies have expressed frustration and confusion at the number of clicks they need to perform in the cancel flow, to be able to cancel their Prime. Recent regulatory complaints in the EU and US¹ are consistent with these customer pain points.

As Kevin (Munich, 2019) stated, "Amazon makes it extremely difficult to make the cancellation final, because of the many steps we have just taken...As a customer I expect a certain degree of appreciation...that I can do things efficiently. I had to tell them several times that I absolutely wanted to cancel it...I can imagine that many people would not finish the cancellation, because of these many steps."

Similar to the upsell flow, we believe the difficulty in finding/completing the experience is applicable only to a small set of customers. Data from the cancel flow (Appendix F) suggests that the vast majority of users achieve their objectives. ████████% of those that enter the flow (for US, UK, DE, and FR in FY 2020) make it through to the last page. Of those that enter the flow and decide not to cancel Prime, only ████████% choose to subsequently call CS to cancel in the next 30 days, and ████████% use benefits within the next 30 days (██████ bps vs average Prime member base over a comparable 30 day time frame: indicating to us that it is prudent to remind members of benefits Prime gives them, when they are considering cancellation.

Benchmark comparison(s)

We compared the Prime cancellation experience across the upsell programs used in the sign-up experience as well as other well-known digital subscriptions (Netflix, Hulu, Disney+, Spotify Premium, YouTube Premium). Comparing CX for these programs across the top customer frustrations, Amazon is slightly better than the average in 1) steps to find cancel from the home page, and 2) steps to cancel once entering the flow. (See Table 2 on the next page). Within the cancel flow, most programs remind customers of the benefits they will lose by cancelling and provide options to switch plans, where applicable. Walmart+ requires customers to specify a reason before they can cancel and others like Spotify offer a 1 question survey post cancellation. In comparison, the Prime cancel flow takes 3 clicks to access but could be confusing for customers to discover the starting point due to the breadth of options and programs customers can access/subscribe to on the Amazon account page. At 3 clicks through to cancel, the cancel flow is similar in length to other programs and offers customers a chance to switch plans or pause membership before cancelling.

Commented [MOU18]: Is ████████% a 'vast majority'? This kind of language runs the risk of minimizing the ████████%, which is still a large number.

Commented [MOU19]: Are we including abandoners in this analysis? If yes, then "decide" is not the right verb as we don't know that the abandonment was an intentional decision.

As per previous doc feedback, this analysis should include a breakdown on what happens with the abandoners. How many of those folks go on to contact CS to cancel, use benefits, etc? This is the most relevant segment for Cancellation Clarity as we don't know if the abandon was a 'save' or a mistake.

¹ The Prime cancel flow is the subject of a complaint made to Norway's Consumer Council (NCC) citing a report ("You can log out but you can never leave") as well as an FTC complaint in the US.

Prime Account CX Satisfaction - Privileged & Confidential

Table 3: Cancel flow comparison

	Online Cancel Available?	# Steps to Reach Cancel Flow	# Steps to Cancel	Alternative Payment Options/Plans	Option to Pause Membership	Renewal Reminder Opt In	Cancel survey	Benefits that will be lost w/ Cancellation	Benefits extended through end of billing/trial cycle	Special Offers in Cancel Flow
Related Frustrations		IT-3138	IT-3144							
Prime	✓ Yes	4	3	✓ Yes	✓ Yes	✓ Yes	✓ Yes - Post cancellation	✓ Yes	✓ Yes	• No
Walmart+	✓ Yes	4 on desktop 3 on mobile	2	• No	• No	• No	• Yes - Pre cancellation	✓ Yes	✓ Yes	• No
ZalandoPlus	✓ Yes	3 on desktop 2 on mobile	2 on desktop 3 on mobile	• No	• No	• No	• Yes - Pre cancellation	✓ Yes	✓ Yes	• No
FNAC+	• No - can't disable renewals online	N/A	N/A	• No	• No	• No	• No	• No	✓ Yes	• No
YouTube Premium	✓ Yes	5	3	• No	✓ Yes	• No	• No	✓ Yes	✓ Yes	• No
Spotify Premium	✓ Yes	4	2	✓ Yes	• No	• No	✓ Yes - Post cancellation	• No	✓ Yes	• No
Netflix	✓ Yes	3	2	• No	• No	• No	• No	• No	✓ Yes	• No
Hulu	✓ Yes	3	4	• No	✓ Yes	• No	• Yes - Pre cancellation	• No	✓ Yes	• No
Disney+	✓ Yes	4 on desktop 5 on mobile	2	• No	• No	• No	• No	• No	✓ Yes	• No

Testing and Learnings

Our successful experiments and learnings on the cancel flow have been organized into three hypotheses. First, we wanted to test whether certain customers benefit from easier access to the cancel flow. Towards this, in 2020 we experimented with improved accessibility to 'end membership', for certain groups of customers we identified as 'low propensity to remain Prime'. For these customers, we increased visibility of Prime membership management options on high traffic Prime locations and have found that these initiatives were highly beneficial to customers (600K+ CS contacts reduced). Additionally, they were also member accretive, indicating to us that when membership management is made accessible to targeted sets of customers, they end up engaging with the membership. Second, we wanted to test whether customers value the opportunity to make more informed decisions at the time of canceling Prime. Towards this, in 1H 2020 we enhanced the customer service cancel experience - by enabling customer service agents WW to direct customers contacting CS with intent to cancel, to the online cancellation flow. In doing so, we realized about 2.0MM member renewals annually via the mix shift (+1000bps in 2021Q1 vs 2019Q1), as our online cancellation flow provides pertinent information - alternate plans, offers and benefits info. Lastly, we wanted to also validate whether we can make simplifications in the Iliad flow, while yielding accretive business outcomes. Towards this, we unified 'cancel Prime' and 'Pause my membership' options into a single 'stop billing me' CTA: we were able to accomplish the cognitive load reduction with a net positive outcome in the US, in Q1 2021 (+120K members retained incrementally annualized, on account of members returning to the program at a higher rate). We have also learned that members do not value overly generic information in the cancellation flow, telling us our interventions in the flow have to be highly targeted and relevant. In Q3 2020, we tried generic messaging in the flow on shipping and streaming, to members with no recent (T30) day history of using these benefits, resulting in negative results. We subsequently dialed down, with the learning that our customers' bar for relevance is much higher.

Planned approach moving forward

We are aware of two distinct issues that a certain subset of our customers face with our cancel flow today. (1) It is hard to find the flow within the regular customer journey on Amazon; and (2) once customers find the flow, they find the number of clicks through to cancellation irksome. At the same time, a large number of our users appear to use the flow as intended, and the flow saved us 21MM members annually in 2020. Blunt force instruments to shorten the flow, or increase visibility to cancel flow may impact these numbers drastically. Acknowledging the high idea risk here, our mental model towards this space is threefold. **First**, we are working on bringing the number of clicks in the cancellation flow down. Our 2021 goal is to bring Iliad down to a single page flow. We know that nearly a third of customers entering the Iliad flow have very poor retention probability (as defined by Prime's Retention propensity modeling), and these customers have a retention rate of <1% in Iliad. For these customers, we will test making cancellation significantly easier, by testing single page or shortened flows. For the remainder of customers, finding the right testing, segmentation and relevance strategy is of utmost importance here, on account of the Iliad flow in current form presently saving 21MM members annually. We are testing this simplification initiative (named Café) in Q2 and Q3 - starting with deprecating

Amazon Privileged & Confidential 6

EXHIBIT 125

Improving the clarity of Amazon's subscription programs | Shopper Frustrations Team | December 16, 2020

1. Overview

Customers encounter confusion interacting with Amazon's digital subscription services, leading to mistaken sign-ups, unexpected renewal/charges, and/or difficulty cancelling. We've been actively tracking these "subscription clarity" issues since 2016 through the Shopper Frustrations program. Since these issues propagate across organizations, features and programs, the Shopper Frustrations team set up a cross-org work stream (QBR Goal #172231) to inspect Amazon's various service-oriented subscription programs, specifically focusing on Prime, Audible, Kindle Unlimited, Music Unlimited, and Prime Video Channels. Through the work stream, designers, researchers, PMs and BIEs across Consumer Engagement, Prime, Customer Service and other subscription teams have collaborated to develop a set of recommendations that we believe will address and prevent these issues at scale.

The objective of this meeting is to review the top proposals we landed on through this work stream, provide more background on the customer problems and root causes we worked backwards from, and discuss next steps for moving forward.

2. Proposals for raising the bar on subscription clarity across Amazon

The Prime Member Growth team has prioritized clarity and member trust as an ongoing global work stream in 2020 and 2021. In-progress efforts include 1) establishing WW Prime content testing guidelines with automated enforcement, 2) conducting monthly clarity reviews and walk-the-stores of holistic CX, 3) inventing a Clarity Score to predict and track high vs. low confidence sign-ups, and 4) testing clarity-related CX improvements to acquisition and retention flows.

Our subscription clarity working group identified opportunities to build on Prime's work so far, and to further raise the bar for customers of both Prime and other subscription programs. Below are four proposals we believe will address the organizational root causes that cause trustbusters to proliferate across Amazon's subscription programs. (Customer problems and root causes are outlined in Sections 3 and 4 of this doc).

Proposal 1: Adopt clarity tenets for subscription programs (unless you know better ones)

- We don't let financial impact impede efforts to build a trustworthy CX.** We make it clear to customers what they're being offered, even if doing so results in fewer sign-ups or paid members. We tolerate these losses, because it's the right thing to do.
- We treat misleading CX as a defect.** Teams are incentivized to fix these issues quickly, and prevent their recurrence, as they would a sev-1 or sev-2. These are not feature requests that need to be prioritized.
- All information a customer needs to make a decision is provided where they need to make that decision.** We do this outside the T&Cs to ensure that customers see and comprehend these details.
- Customers can confidently predict the result of their actions.** Given that some customers will still make mistakes, we also provide obvious confirmations and easy 'undo' paths.
- We make it as easy to cancel our services as it is to join them.** We ensure that the ingress to self-service cancellation is easily discovered, and the flow quickly and confidently finished.
- We raise the bar on subscription clarity across the industry.** We go beyond compliance requirements, or what our competitors are doing, to deliver a best-in-class customer experience.

Proposal 2: Create metrics and guardrails that protect customer trust. For teams to design and launch a frustration-free subscription CX, we need goals and metrics that will take customer intention and sentiment into account. Our mental model and metrics should view goals met and revenue gained from unintentional sign-ups as growth we did not earn.

Prime has faced challenges making meaningful progress on addressing clarity issues due to the cost to key growth metrics of sign-ups and paid member yield (see Section 4, pg 5, for historic experiment examples). In September 2020, Prime experimented with CX improvements to Universal Prime Decision Page (UPDP) that addressed a variety of critical shopper frustrations. The new template changed the small opt-out link into a more visually prominent button; updated the label from "No thanks, I don't want FREE shipping" to simply "No thanks"; changed the sign-up label from "Get FREE one-day delivery" to "Start your Prime FREE trial"; and displayed pricing info in the main body content, not just in T&Cs ([See T3 in this weblab](#)). Prime launched the new treatment despite █% sign-ups and █% paid members because of their focus on improving clarity. In a December 2020 SVP review, Prime escalated these negative metrics impacts as a hotly debated topic since they were missing their 2020 S-team growth goals. The outcome was to lean into Prime acquisition during the holiday period and Prime took an immediate action to roll back to the previous CX.

We propose that individual feature teams (e.g., acquisition, retention) identify tension goals & experiment guardrails that protect their respective CX from frustration-provoking outcomes. Below are example customer outcomes and metrics that teams could start

working backwards from, where success is oriented to the goals a customer may have for a subscription feature, rather than the business outcomes that Amazon wants that CX to drive.

- **CS metrics:** Customers shouldn't need to contact customer service about an unwanted subscription and/or to cancel it. Teams could take YoY goals to drive these contacts down, and also implement experiment guardrails around them. Note that measuring this in a precise and automatable way would require investments on behalf of CS and Subscription Teams, as these CS contact types presently require manual Heartbeat data pulls due to inconsistencies with agent-assigned simple-issue-codes (SICs). These also are not currently tied to weblab.
- **Benefit usage and other clarity indicators:** Customers should be getting value from their subscription by using their benefits. To optimize for this outcome, the Prime team is working on two initiatives – 1) A 'Clarity Score' that predicts high vs. low-confidence sign-ups based on indicators like benefit usage. 2) A Machine Learning initiative where Prime ML and DE Customer Insights teams work backwards from Prime's post-cancellation survey, inspecting the factors that are leading customers to select the survey response option "I didn't intend to sign up for Prime", and identifying remediation actions. Prime plans to track these metrics and initiatives to set baselines for 2021, and will evaluate setting goals to improve this metric in 2022. We propose that other subscription teams create similar clarity indicators for their own programs.
- **Subscription awareness survey:** Settled customers should be aware that they are paying for a subscription. In 2019 Prime ran a survey to get a pulse on this, where they reached out to a sample of 9+ month tenured members in France asking a simple question "Are you Prime?" (results described in section 3, pg 3). This survey method helped size the percentage of settled customers who were unaware of their membership status, something that CS metrics and cancellation data were under-reporting. We propose that Prime and other subscription teams create recurring awareness surveys like this one, and that they define decision-making criteria around them, setting YoY goals to drive improvements, and creating experiment guardrails to prevent regressions.
- **Measuring discoverability of the cancellation flow:** We propose inspecting discoverability through measurement of CS cancellation contacts that happen after a customer accesses a member benefits or subscription management page (a proxy that the customer may have had trouble finding the cancellation ingress, so turned to CS).
- **Measuring completion of cancellation flow:** We have observed customers in UX research misunderstand their progress during self-service cancellation, sometimes abandoning the flow early thinking they had finished it. We propose that subscription teams dive deep on these abandons to discriminate what is a "real save" (i.e., customer changed their mind) vs. abandonment due to partial refunds vs. an accidental abandon. We should create guardrails that prevent those accidental abandons - such as measuring the # of customers who abandon self-service, then contact Amazon to cancel a few billing cycles later; or measuring the # of customers who abandon self-service, but do not use benefits after.

Proposal 3: Define a common set of trust-building features and design patterns for subscription CX. On June 17th, we conducted an all-day cross-team design ideation session that generated over [100 ideas](#) for addressing subscription clarity issues. Out of these ideas emerged a set of customer-obsessed features and design patterns that can help us build trust with our customers. We propose that these be considered "table stakes" for any subscription CX at Amazon. Here are a few examples to illustrate:

- A sign-up CTA must include price and auto-renew. These details cannot only be shown in T&Cs.
- A sign-up CTA must use a secondary button style and cannot use a color that is reserved for standard flow/purchase buttons (e.g., if 'Add to cart', 'Proceed to Checkout', 'Continue', etc. are all yellow buttons, then a subscription interstitial cannot use a yellow sign-up button.)
- Customers must have the ability to instantly 'undo' a mistaken sign-up without leaving their context.
- All free trial members receive a reminder (e.g., an email) a few days before their renewal/charge. They also receive a transactional notification on the first day their card is charged. We do this proactively for them; they don't have to opt into these initial subscription notifications.
- All members who are inactive (not using benefits) after a specified number of months are notified of their inactivity, and then auto-cancelled if they do not respond or show a change in benefit usage. (Note: Netflix started doing this for customers in May 2020: <https://techcrunch.com/2020/05/21/netflix-to-start-cancelling-inactive-accounts>).

We have created a [companion "mock doc"](#) with a more complete list of proposed features & design patterns, and visual examples of what they would look like when applied to production CX for Prime and other programs.

Proposal 4: Invent additional mechanisms to raise our CX bar at scale. Creating a best practices pattern library for subscription CX is a great first step, but with the sheer number of content tests happening at any given moment (e.g., Prime alone ran [REDACTED] experiments in 2020), there may still be instances where poor CX slips through. To address this, we propose that we invent additional mechanisms that raise the bar on content testing.

One proposal is to double down on the bar-raising mechanisms that Prime is currently building, and find ways to scale them to the other subscription teams. Specifically, Prime is working on the following in 2020/2021:

- A “Clarity Bar-Raising Program”, in which Prime leadership conducts monthly walk-the-stores, and audits recent “winners” to ensure they are using good CX.
- An automated QA mechanism that can check and enforce clarity guidelines like CTA language.

In addition we propose the creation of self-service “empathy trainings” where marketing PMs and content testers get exposed to customer data/videos/anecdotes related to subscription clarity, and the design patterns that have historically provoked frustration. Between UX research and other voice-of-the-customer channels, we have a wide range of content that could be translated into training materials with relatively little effort (e.g., like this [video highlight reel](#), which new hires could watch as part of a launch plan). We would need to compile these insights and videos into a self-service tool with a mechanism that gets teams to consume it.

3. What customer problems are we trying to solve?

To arrive at the proposals above, we worked backwards from data and anecdotes observed through UX Research, Customer Service, social media, app reviews, survey research, and behavioral analytics. The insights roll up into the following three buckets: 1) customers unintentionally signing up for subscriptions, 2) customers signing up for a trial intentionally, but not realizing the subscription will auto-renew, and 3) customers having difficulty cancelling.

These shopper frustrations are a top contact driver. Looking at US Prime contacts in the last 6 months, Customer Service estimates that we receive [REDACTED] annual contacts regarding mistaken sign-ups or unexpected renewal charges ([REDACTED]% of an estimated [REDACTED] annual sign-ups). The frustrations are also the largest driver of Prime cancellations initiated through Customer Service, accounting for [REDACTED]% of Prime’s estimated [REDACTED] annual CS cancellation contacts.

Member inactivity is another symptom of clarity issues. If customers unknowingly sign up, or are unaware of auto-renew, they can go through multiple billing cycles without using benefits. For example, from January-Oct 2020 in the US, [REDACTED]% of 10-month settled Prime members had not used any benefits during their paid tenure. In the same timeframe, this percentage was [REDACTED]% for Audible, [REDACTED]% for Kindle Unlimited, and [REDACTED]% for Prime Video Channels. See Appendix 1 for these inactivity metrics, along with CS cancellation data, by program.

Further, these metrics are under-reporting the true incidence of customers who are encountering subscription clarity problems. As customers do not always check their card activity, not all are aware there is a problem to contact us about, and some of these customers use benefits without realizing they’re paying for them. For example, in 2019 the Prime France Retention team surveyed 9+ month paid Prime members (N = [REDACTED]), asking whether they were Prime or not (Yes/No), and analyzed the accuracy of their responses. The team found that over a third incorrectly reported that they were not Prime, and that many of these customers still had used benefits (see results below). Note that when customers used multiple benefit types (e.g. free Prime shipping, Prime Music/Video, etc.), and used these benefits frequently, membership awareness improved:

- Customers with 1 free shipping order in 10 months: Only [REDACTED]% correctly reported that they were Prime
- 2-4 orders in 10 months: [REDACTED]% reported they were Prime
- Low digital usage, no shipping usage: [REDACTED]% reported they were Prime
- High usage (shipping and digital): [REDACTED]% reported they were Prime
- Non-Prime Amazon customers (NPAs) were also surveyed for baseline comparison, of which [REDACTED]% correctly reported they were NOT Prime

When customers encounter clarity issues, it can erode their trust in Amazon. According to the Executive Customer Relations (ECR) team, customers frequently email Jeff B about subscription clarity (for a variety of programs, not just Prime). Doing a deep dive on Prime, the ECR team estimates that Jeff receives approximately [REDACTED] customer emails/year related to mistaken Prime sign-ups and/or unexpected renewals. Below is a February 2020 example from a US customer named Kevin, who reached out to Jeff about unknown charges for Prime and Music Unlimited subscriptions (which he also had trouble cancelling):

Jeff, I am pretty upset. I received a letter in the mail that I hadn’t used my prime video subscription and that I was an Amazon Prime member. I logged on as I wasn’t aware I had Amazon Prime, but apparently I do! It used my saved card info and purchased prime for me at \$12.99 per month. THEN I see I have had Amazon Music for six months... I never signed up for this either!

I was able to cancel the music, although it was difficult to figure out how to cancel the subscription which is shady. I could NOT cancel the Prime video as the buttons on THAT service mysteriously don’t work.

I have removed my active credit card information from Amazon. If I can’t trust Amazon I will no longer use the company. I demand a full investigation and I would like a personal communication from you.